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SOCIAL SECURITY BENEFICIARY SERVICES

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HEARING

BEFORE THE

SUBCOMMITTEE ON
RETIREMENT INCOME AND EMPLOYMENT

OF THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

SEPTEMBER 24, 1985, CEDAR RAPIDS, IA

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SOCIAL SECURITY BENEFICIARY SERVICES

TUESDAY, SEPTEMBER 24, 1985

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
SUBCOMMITTEE ON RETIREMENT INCOME AND EMPLOYMENT,
Cedar Rapids, IA.

The subcommittee met, pursuant to notice, at 8:30 a.m., in conference room, Witwer Senior Center, 305 2d Avenue, Cedar Rapids, IA, Hon. Thomas J. Tauke (acting chairman of the subcommittee) presiding.

Members present: Representatives Tauke and Saxton.

Staff present: Nancy Hobbs, minority staff director; Ann O'Donnell, minority staff assistant.

OPENING STATEMENT OF REPRESENTATIVE THOMAS J. TAUKE

Mr. TAUKE. Good morning, ladies and gentlemen. This meeting of the Subcommittee on Retirement Income and Employment of the House Select Committee on Aging will come to order.

I am Tom Tauke, and I will chair today's proceedings and I am very pleased today to welcome to Cedar Rapids and to Iowa for his first visit Congressman Jim Saxton from the State of New Jersey. Congressman Saxton left New Jersey last evening and arrived here in Cedar Rapids to some fairly brisk weather. I told him it is not always this cool in Iowa in September. I am very grateful to him for coming.

I would also want to thank Carol Hutchings of the Witwer Center for her assistance to our staff on the Select Committee on Aging in arranging for today's hearing and for the visit this afternoon of the Commissioner of the Social Security Administration, Martha McSteen. Those of you who are able, I hope will join us this noon for lunch with Commissioner McSteen as she will make a few remarks and answer some questions, and I think it should be an interesting opportunity for senior citizens from this area.

In addition, Commissioner McSteen will be touring the Social Security office here in Cedar Rapids this afternoon and then will travel to Dubuque tomorrow for another meeting with senior citizens and another tour of the Dubuque office.

I want to welcome all of our witnesses, and I am very grateful to them for taking the time to come here today to prepare remarks and to share their views with the committee.

One of the reasons that I had invited Congressman Saxton here to this hearing is because of his leadership role in preserving the

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Social Security cost-of-living adjustment. Jim has served as Chairman of what became known as the COLA Coalition in the House of Representatives which is a group that he formed in the House. And that group was very instrumental in ensuring that the COLA for Social Security was approved for the upcoming year.

Today's hearing will focus on another aspect of Social Security, the beneficiary services provided on the frontline. This hearing is timely since the Social Security Subcommittee of the House Ways and Means Committee passed legislation last week to make the Social Security Administration an independent agency and take it out of the unified budget.

I was among the first cosponsors of this legislation because I believe that the problems such as the closing of Social Security offices, denial of disability benefits, tampering with the Social Security trust fund and political interference with the Social Security system could be eliminated by making the agency independent of the Department of Health and Human Services instead of being a part of the Department of Health and Human Services as it is now.

An independent Social Security agency will ensure benefit protection and administrative integrity. Social Security Administration will of course still be a governmental agency whose revenues and expenditures are subject to congressional oversight.

Earlier this year, the Office of Management and Budget proposed closing Social Security offices. I discovered a list of 772 Social Security offices which the Office of Management and Budget considered vulnerable to closing. And I brought this list to the attention of the General Accounting Office with the request to investigate the impact of office closings on the elderly and the disabled. Since we made the list public in February, 15 of those offices have been closed. The Department of Health and Human Services and the Office of Management and Budget are responsible for the plan to close offices to reduce staff in Social Security offices, and to cut back on administrative expenses. While some of those objectives and some of those steps clearly are beneficial, others could have a negative impact on the delivery of beneficiary services in the field.

These decisions were imposed on the Social Security agency by the Office of Management and Budget. So we cannot blame the leadership of the Social Security Administration or the managers in local Social Security offices. For this reason, I think it is important that the Social Security Administration be given the maximum independence to administer benefit programs and adequate resources to maintain field offices that are necessary to ensure accessibility to every older and disabled person in need of assistance.

Many of the offices provide a valuable community service. The offices often coordinate with State agencies such as the department of human resources, and local area agencies on aging, like the Scenic Valley and Heritage AAA's, and communicate with senior citizen centers such as the Whitwer Center to link senior citizens with programs of assistance such as Social Security, SSI, and disability.

After hearing from Mary Jo Wood and Delbert and Betty Rowe on the views of senior citizens on beneficiary services, we will hear from a panel of representatives from these agencies and the Social Security Manager's Association. Finally, we will hear about the es-

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sence of the Social Security program which is the role of beneficiary services on the frontline of service delivery. We will hear from Donald Moonen, the president of the Dubuque County Bar Association who is familiar with the legal issues surrounding beneficiary services. We will also hear from Leonard Messer of Green Thumb, an organization which employs older workers. John Steel and Al Achtner of the American Federation of Government Employees, which is the union representing Social Security workers will testify.

I have worked closely with this union in Washington, as well as the managers on issues such as the independent agency in the budget.

When I learned that the Office of Management and Budget and the Department of Health and Human Services were planning to close Social Security offices, I met with Commissioner Martha McSteen to discuss the importance of the 10 branch offices and 11 district offices in Iowa. I pointed out the disabled and the seniors of Iowa would have severe transportation problems if any of our Social Security offices in northeast Iowa were closed. Martha McSteen assured me and other congressional leaders that no offices were targeted for closing in Iowa. I had the pleasure of visiting some of those offices to celebrate the 50th anniversary of Social Security in August and met with many of you who are here today.

The Commissioner subsequently accepted my invitation to tour offices in Cedar Rapids and Dubuque to see firsthand the value of these offices to our communities.

We plan to prepare a report on this hearing for Chairman Roybal of the Aging Committee on the beneficiary services here in Iowa. If anyone who was not scheduled to testify would like to submit a statement to be printed for the hearing record, please mail your remarks to my office sometime within the next 30 days and we will be happy to include it in the final record of the hearings.

I would now like to turn to my colleague, Congressman Jim Saxton for any comments he may have.

STATEMENT OF REPRESENTATIVE JIM SAXTON

Mr. SAXTON. Well, first let me thank my good friend, Tom Tauke for inviting me to this very, very lovely city. I have been here a very short time but have enjoyed it a great deal. It is a lovely place and there are a lot of friendly people that I have met so far and I have enjoyed it very, very much.

Let me just say that field hearings such as this one are so very important to Members of Congress because we get to hear firsthand how the dealings of whatever it is the hearing happens to be about affect people, and I want to commend Congressman Tauke for arranging for this hearing. As he mentioned to you, I was active in the battle over the cause as was he, and we were successful in winning. One of the reasons we were successful in winning was because we had the support of the American people on our side.

And I believe that these hearings are a good way to demonstrate that support and for us to gain information about various things

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that we deal with in Congress in this particular case, the Social Security benefit services that are provided through local Social Security offices.

Legislation to significantly change the Social Security Administration by taking it out of the budget and the Department of Health and Human Services appears to be moving quickly through Congress. Tom has taken the lead and the independent agency as an early cosponsor of H.R. 825 and as the ranking minority member of the Subcommittee on Retirement Income and Employment which is the actual sponsor of this hearing today. He joined the Social Security managers, the American Federation of Government Employees, the AARP, the National Council of Senior Citizens and others in testifying recently before the Ways and Means Committee in favor of making Social Security an independent agency.

I often hear when I am at home talking with my constituents the great degree of dissatisfaction in that the Social Security Administration is currently funded through what we call in Washington, the unified budget, which makes it part of the total pie, which makes it vulnerable, if you will, from time to time from changes through Congress. I recently learned that there was a court case back in the, I believe, early or middle 1960's which actually ruled that Social Security benefits are not any kind of a contractual agreement nor protected by any kind of a contract between the individual beneficiary and the Government, which means the Government can change or reduce those benefits at will, and as part of the unified budget and a significant part as it represents almost 30 percent of it. It does become from time to time a target which individuals such as Congressman Tauke and I have found it necessary to protect.

We are also concerned with the role that other agencies play in linking beneficiaries to Social Security services by providing the information and referral and transportation to seniors in need of assistance.

Tom is a ranking member of the Human Resources Subcommittee of the Education and Labor Committee which is responsible for the Older Americans Act which funds these activities.

We are also interested in learning if Title III, Social Service Funding, is adequate to link seniors to the services they need in their community.

I took the time to visit with a gentleman by the name of Emal Getty who is the branch manager of the Social Security office in Mount Holly, NJ. I was able to learn from the point of view of the manager of that office what some of the services are that are provided there. I am very anxious this morning to learn from you as those who are most affected by the local security office how you view those services as they are provided here in Iowa. Thank you very much. I look forward to hearing the testimony and talking with the various witnesses. Thank you, Tom.

Mr. TAUKE. Thank you, Jim. When I was in New Jersey earlier this year in Congressman Saxton's district for a hearing, the people of New Jersey made me feel very welcome, and I would like all of you to give Jim a round of applause welcoming him to Iowa.

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Now, I would like to call our first witnesses, Mary Jo Wood, who is the area representative of the American Association of Retired Persons. Mary Jo is from here in Cedar Rapids, and Delbert and Betti Rowe, who are recipients of Social Security disability insurance and they are from Dubuque. Could you come up to the table. It is a little crowded up here, but I think we can fit you in.

Well, thank you very much for agreeing to testify this morning, and Mary Joe, perhaps we can begin with you if you are ready.

Ms. WOOD. Well, as ready as I will be.

Mr. TAUKE. Thank you.

STATEMENT OF MARY JO WOOD, AREA REPRESENTATIVE OF AMERICAN ASSOCIATION OF RETIRED PERSONS, CEDAR RAPIDS, IA

Ms. WOOD. Thank you, Mr. Tauke and Mr. Saxton. I am the legislative chairman for the Local Retired Teachers Association. As such, I am part of AARP, and whoever suggested my name did not realize that I am all involved with the Witwer Center. I do a lot of tax counseling for the elderly during the winter so actually I have far more contact with senior citizens, and some of their problems that they may have with Social Security.

Well, sometimes I do stay home, you know. I go to all these other things, but sometimes I do stay at home and then I sit down and read and I read Newsweek. I read the AARP magazines. I read some of these things and then I get all fired up and start out again. So, if I read about changes in Medicare or the closing of Social Security offices or get a letter from one of my relatives who is having trouble with their disability, then I really have things that I have to get done, too, such as letters to Congressman Tauke and things like that. As a former mathematics teacher, I am very aware of the efficiency of computers and electronic transfers and the modern equipment that goes in every office. However, I am concerned about the depersonalization that is happening with all of the computer systems and things of this kind. Maybe my children will adapt to this, but right now I think we are dealing with persons. I do not think there is any way that an older person is going to feel satisfied by just looking at a computer printout or something of that type.

I think school teachers probably more than anybody else run into troubles with their Social Security when they retire. We retire in June. If there is a cap on how much money we could have earned during the year, this means, you know, that there is a big delay.

I am sure that the person at Social Security was very well meaning when they decided to set my retirement date back to January. I called the woman and I said, "But, I got a check in May," and I said, "I'm not even retired yet. I shouldn't have this money." And she said, "Well, we've set your retirement date back. It'll be all right. You will start getting your Social Security along about July," which was when I asked for it to start. And so my children went on getting the money that they had. They were in college at the time. They went on getting their money from their father's account.

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Four years later I get a notice that they have overpaid my children. I am going to have to have this taken out of my Social Security. You see, then I go back to them with the thought that we had it all straightened out, and another year later I got another letter saying, "Your son received $400 more than he should have received. We're going to take it out of your Social Security check," So, I called the Social Security office and said, "Why don't you go after him? He's making more money than I am," and gave them his address and I wrote to John and I said it is your turn to pay. And when I got through with that, 2 or 3 months later they sent me another notice, "We are taking this out of your November check." So, I got on the telephone and called John and I said, "What's this? How come you didn't pay that?" He said, "I went down to the Social Security office. I told them where I was, but I told them I wouldn't pay it until they wrote me a letter saying why." So, they took it out of my Social Security check. But now, that is just mine. If I had not called, you know, gone to the Social Security office, and by the way that is another thing. I think they hide those Social Security offices. Have you been out to the one here, Tom? So, if I had not gone there, I really would not have figured out what happened. Fortunately, I keep pretty good financial records.

Now, the 18 million people who are members of AARP should know from their publications of the efforts to reduce the number of offices. They should know about the recommendation that staff should be cut by 20 percent. Really, I can not see this because if the Social Security funds are separate from other budget funds in the Government, it is not going to reduce the overall budget. I think that the Social Security funds are in there only for cosmetic purposes. I think that is probably why they were put in there in 1969 was to disguise the fact that the budget was in trouble at that time.

Now, it has gotten to be a point where people are confused about it. They do not know whether the Office of Management and Budget can cut 20 percent and that it will help the budget or that it will not help the budget. Frustrating as it is to find that local office, if we go out and ask for help at that local office, I would like to find a friendly face. I have found some friendly faces and some sympathetic people that are there. But if these offices are going to be downgraded or if they are to be moved, there are going to be many, many unhappy people. Now, I am articulate and I can pound the table or I can try if I have to, but there are an awful lot of people who just sit there and get frustrated. And this is the reason I think we cannot go to computers any more than we have. I mean, you cannot just replace a friendly face there with a computer.

In 1985, Social Security Administration will be servicing some 36 million people. I got this information from AARP. The number is expected to increase by 11 percent between 1985 and 1990, at which time it is expected that the number will be about 40 million people. Now, cutting back services does not seem the way to meet the needs of an increasing number of persons. But that has been the trend since 1977. They have tried to keep cutting.

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In 1981, or since 1981, 20 offices have been closed. Another 39 have been downgraded. In addition, 605 predominently rural communities no longer have regular visits from SSA personnel. For many of the elderly with limited mobility or eye impairment or hearing problems, the handicapped, it puts contact almost out of the question. As the telephone is an inadequate substitute, what are those people going to do? Now, I am glad to hear of the efforts of you people because I do think that the people in the communities such as Cedar Rapids, you know, as I say, have found a Social Security office. The people there are very helpful, if you call them on the telephone, they will send you information but really you almost have to go out and see them. I think senior citizens can get out there on the senior citizens bus but then you have to wait for a long time before that bus comes back to pick you up. So that is another problem of people who have limited transportation.

I am glad to hear of this Roybal amendment and I wondered what is the status of this right now.

Mr. TAUKE. Is the amendment you are speaking of to establish an independent agency?

Ms. WOOD. Yes.

Mr. TAUKE. It has moved through a subcommittee in the House. It is expected to pass this year.

Ms. WOOD. Now I am sure that there are other things that I have not touched upon, you know, maybe we can come back to this or maybe you will have questions.

Mr. TAUKE. We will probably have some questions but first we will hear from the Rowes, if that is OK.

Ms. WOOD. Yes.

Mr. TAUKE. OK. Delbert and Betty Rowe are from Dubuque and we thank you for coming down for the hearing this morning and we know you had to get up early.

Mr. ROWE. That is the truth.

Mr. TAUKE. Delbert is a recipient of Social Security disability insurance and Delbert, perhaps you could discuss your experience with the Social Security system.

STATEMENT OF DELBERT ROWE, RECIPIENT OF SOCIAL SECURITY DISABILITY INSURANCE OF DUBUQUE, IA, ACCOMPANIED BY BETTY ROWE

Mr. ROWE. Congressman Tauke and Congressman Saxton, I want to thank you for inviting me to testify for your subcommittee.

On April 2, 1984, I applied for Social Security disability benefits. My wife and I went down to the office in Dubuque. We did not know what we were supposed to do. The receptionist took our names and asked what we wanted. Then she directed us to John Holl. When he called my name we went back and he helped us fill out the application for Social Security disability benefits. Mr. Holl told us that—also told us what I paid into Social Security over the years. Mr. Holl then directed us to Toralf Lie. He helped me fill out the application for Supplemental Social Security Income and was helpful, very courteous and very helpful.

If you would have had to go somewhere else to apply other than downtown, we would not have been able to since we were broke. It

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was so convenient to go down to the Social Security office for help when we needed it. I was then contacted by Vera Jones of the Disability Determination Services. She had made appointments for me to be examined by two doctors; a surgeon and a bone doctor.

It was not until September 1984 that I received my notice from Social Security that both my claims had been denied.

September 24, 1984, I went down to the Social Security office and this time we were assisted by Norma Lynch for SSDI claim and by Sue Alt for SSI claim. Even though I was irritated and hollered, both of them treated me with courtesy. Then I told them about the crushed discs in my back and the problems I have when I sit, stand, or walk for any length of time.

We were waiting for the second decision when our daughter called Congressman Tauke's office for help. We needed help with our utility bills and we thought the Congressman would be able to help push my disability claim quicker. The Congressman's caseworker contacted the St. Vincent DePaul Society and they paid our bill at Interstate Power Co. We had to do this the next month too, and again St. Vincent DePaul Society paid our electricity bill.

On November 28, I received the denial service from the Social Security Administration office denying my claim again. So my wife called the Congressman's office and told his caseworker about this. The next day we went down to his office and the caseworker made copies of the denial notices.

As we talked with her about my problem, on December 7, 1984, we went back to the Social Security office in Dubuque and filed for my hearing. This time Norma Lynch helped me to fill out the forms. The Congressman then sent the letter to the Office of Hearings and Appeals. It came back quicker with his flag on it. I got the letter on December 23 that my hearing was for January 11.

Carole, the Congressman's caseworker, advised me that I might be better off with an attorney. So, I contacted our attorney, David Leifker.

We tried to get new physicals for the trial, but nobody would give me one. So, I went to the trial with what I had. Judge Johnson agreed I needed new physicals, so he got a bone doctor from Cedar Rapids to give me one and we borrowed a car to go there. That came back very favorably. But Social Security ordered another physical from a medical doctor. That, too, came back favorably. The two physicals took about 2 months.

At the end of April, I finally got my decision from Judge Johnson that he approved my benefits. Without the courteous help we got from the Social Security office and Congressman Tauke's office, it probably would have taken longer to get.

At the end of June, my wife called the Congressman's office and asked for his help in getting my money from Social Security. We called his office various times, and we were told what was happening with my payments.

On August 2, I received a check for $10,460 for my back payment. Finally, we would be able to pay bills that had been sitting for the last 2½ years. We were able to pay about three-quarters of our bills.

At the end of July I got a copy of what my attorney was requesting for his fee. He was asking $3,258. This was over $200 an hour.

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The normal hourly fee in our area is between $75 and $100 per hour. He even says this in his letter to Judge Johnson. I have written to Judge Johnson and asked that he take into consideration the hourly rate for around here. Now, Congressman Tauke is trying to help to reduce the lawyer's fee; $200 an hour is too much to pay for a lawyer.

We have lost our lawyer. He called and told us that he did not consider himself our lawyer anymore. He told us that he had worked 250 hours on another case that he lost, but he was expecting $3,258 from me for the 16 hours of work he did on my claim. That sure does not seem fair and I would like to—to have to pay for a case that he loses.

Mr. TAUKE. Thank you very much. Congressman Saxton, do you have any questions?

Mr. SAXTON. I would just like to ask one kind of general question to each of the speakers. It is obvious that from what you said that you feel that the Social Security offices which you had contact with were quite helpful. Can you tell me what you might have done if, No. 1, you did not know that perhaps Congressman Tauke could have been as helpful as he was, and No. 2, if there had been no Social Security office in Dubuque, what do you suppose you would have done to straighten out your case? Would you have had to have a lawyer and who would have charged you more because you would not have had as much involvement yourself or would you have had to try to deal with the Federal Government through the mail or over the telephone? I'm just curious to know what you think might happen if we did not have such accessible offices as we now have?

Mr. ROWE. It would have probably been done over the telephone or by mail.

Mr. SAXTON. Do you think it would have taken longer and have been more frustrating?

Mr. ROWE. Oh, yes. Very much longer I think.

Ms. WOOD. The problem is you do not even know who to call and then you are kind of fighting a pillow, you know, when you try to fight the Federal Government. I learned—I was in the Navy during World War II, and I learned that Congressmen are powerful people. When a letter came in from a Congressman or a Senator everybody moved. So, at the time my husband died——

Mr. TAUKE. That must have been some time way back.

Ms. WOOD. No; everybody in the office moved. You mean they do not do that anymore?

Mr. SAXTON. We do not think so.

Ms. WOOD. Well, at the time my husband or after my husband's death in Vietnam, I was having a problem with getting the civil service annuity that the kids were entitled to. I was getting nowhere. You know, I wrote letters. I filled out forms. I sent affidavits. I did all of these things and nothing happened. And I just decided it happened during World War II. I will write to my Congressman. And it kept on. For that reason, I think we should all be thankful that we have somebody like Congressman Tauke. And I am sure that the people in your district have that confidence in being able to call on you.

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Mr. SAXTON. Well, I know that Congressman Tauke works very, very diligently with his staff, some of whom I have met today and they seem to be very fine people and I know they have the good of all of the constituents that they represented at heart. But I guess my concern is that in my hometown, Mount Holly, NJ, we have a Social Security office which has contacted people and they have somewhere in the neighborhood of 30 people who work there, and there has been talk about closing that office, particularly this year. I think that talk has subsided at the moment, but I do not know how my staff of about eight people back in the district could ever begin to handle the volume of case work that would come in were that office to close and everybody would come to my office instead of the Social Security office. I do not think we could do it and I just am curious to know what you think might happen to all of those folks who are currently being helped by those outreach offices.

Ms. WOOD. I have another question. If the Social Security funds are supposedly kept separate, are in a dedicated trust fund, then why is it that Office of Management and Budget says we have to cut those funds 20 percent? Is that because it is a part of the Health and Human Services Department?

Mr. TAUKE. Budgeting at the Federal level is a mysterious kind of operation but we have what is called a unified budget which includes all of the trust funds and so when you see that the Federal Government is spending $960 billion during the current year, that includes all the expenditures, trust fund money and nontrust fund money, and then when we have income of $700 billion, that includes all the income from trust funds as well as general revenues. So if you are trying to deal with the overall deficit, then of course you do have to deal with all of the income and all of the expenditures at the Federal level.

What we who have supported pulling the Social Security budget out of the unified budget have felt is that if you—that right now the Social Security Administration is running a surplus, if you will. There is more money coming in than is being expended. Now, it has to do that in order to build up benefits for future years, but that then makes it look as if our deficit is actually less than it is and it gives a cushion to the rest of the budget. And it also means then when the cuts are looked at that each one of the areas which cuts are considered. Do you have any other questions, Jim?

Mr. SAXTON. I do not think so.

Ms. WOOD. Had either of you read my breakfast column last week about the man that could not get his Medicare claim approved because Social Security sent back word that he was dead and he has all of these problems now trying to convince Social Security that he is not dead. He would like to know where he is buried. It is quite a column here and so far as I know it is not resolved yet. But they have agreed to look into it. I will give you that.

Mr. TAUKE. It looks like one of those cases where Medicare brought about a miraculous recovery.

Let me just ask, I could ask the Rowes a question. It seems to me as I listened to this scenario about your case, that it took a long time. Did you feel as if you got generally good service out of the

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Social Security officer? Did you feel that it took a long time to process your claims?

Mr. ROWE. Well, it took a long time to process but I got good service, but it took a long time to process it.

Mr. TAUKE. When you went to the office, you felt you were treated well?

Mr. ROWE. Right.

Mr. TAUKE. In other words, did the case move along without you going to the office? Did it take you going to the office in order to be able to move things along?

Mr. ROWE. We called down quite a few times, did we not?

Ms. BETTY ROWE. Yes, but they said it would take 6 months to get back and then it took 6 months the second time and then by the time the hearing came, it took another 3 weeks. So, it took better than 1 year to even get it to the hearing stage where we could get into a hearing.

Mr. TAUKE. Mary Jo, in your problems with your Social Security check, did you feel that you got good response from the office and personnel when you talked to them?

Ms. WOOD. The first time I was very frustrated. But the woman did tell me that I could request a computer printout. When I got that computer printout, then I began digging, and when I called back to the Social Security office, I said I do not want to talk to the lady I talked with before. If I have to talk with her, I will write to my Congressman. No, I did not say that, but I did request an appointment with somebody else. I took a friend with me. I thought I am going to have a little backup on this so that they can know what has been said.

Mr. TAUKE. Were you able to pinpoint the source of the problem? Was it a computer error?

Ms. WOOD. No; it was a well meaning Social Security person who thought she was helping.

Mr. TAUKE. I see.

Ms. WOOD. And you know, I cannot fight that.

Mr. TAUKE. Sure. OK, well, we appreciate very much your coming to testify this morning, and if after you leave you have additional thoughts you want to have included in the record, get back to us in the next few weeks.

Ms. WOOD. We will come back.

Mr. TAUKE. Thank you. Thank you very much.

Our next panel consists of Linda McDonald, the director of the Scenic Valley Area Agency on Aging in Dubuque, Robin Heller, assistant director of the Heritage Area 10 Agency on Aging in Cedar Rapids, Dixie Clark, the district administrator of the Iowa Department of Human Services in Cedar Rapids, and Janet Roth, the national secretary of the Social Security Managers Association in Peoria, IL.

If you can find your way up here amidst all the microphones, I would like to have you come up.

Mr. TAUKE. Janet, since you have the microphone in front of you, I think we will begin with you. Janet Roth is national secretary of the Social Security Manager's Association in Peoria, and she is from Peoria, IL, right?

Ms. ROTH. Correct.

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Mr. TAUKE. And thank you for coming all the way from Peoria.

Ms. ROTH. Thank you for inviting me.

Mr. TAUKE. Welcome to Iowa.

Ms. ROTH. Thank you. I have a written testimony that I would like included in the record so that I could convince some of my verbal testimony.

Mr. TAUKE. Very good. And let me say for all of the witnesses that if you do have a written statement that you would like included in the record, we will include that in the record then you can feel free to summarize or add to your testimony in anyway you would like. Thank you very much, Janet.

STATEMENT OF JANET ROTH, NATIONAL SECRETARY, SOCIAL SECURITY MANAGERS ASSOCIATION, PEORIA, IL

Ms. ROTH. I am pleased for the opportunity to discuss the value of community-based Social Security field office structures and the necessity to establish Social Security as an independent agency and the imperative for removing Social Security from the unified budget, and I represent a voluntary, dues supported, management association of over 4,000 field office managers and supervisors. Our association is recognized as supportive of and complementary to the stated objectives of the Social Security Administration.

As the contact point for over 25 million face-to-face public contacts in a year and an additional 20 million phone contacts, we have probably the most publically visible and accountable jobs in our agency. We hear what pleases people and unfortunately what displeases people too, and I am sorry, Mrs. Wood, that we did not do a better job. But I hope you are getting your check fine now.

And when there are executive, legislative, judicial, or agency decisions that affect Social Security programs, our concern is operating efficiency and providing quality public service. So, we are distressed when budget considerations alone threaten to tear down the whole fabric of an effective field structure.

First, as was mentioned, Social Security did not cause the current budget deficit. Social Security's cumulative income has exceeded its outgo over what we consider a proud 50-year history. So, not only should Social Security not be expected to eradicate the deficit, legally it cannot. Trust fund moneys, right now at least, cannot be used to pay for other Federal services or programs. And under the unified budget, slashing administrative costs looks good but it accomplishes nothing in the real deficit reduction.

The current field structure is not just happenstance. There is a logic inherent in the field office community-based structure that derived from the mission or the Social Security agency. Its primary mission is to administer the largest insurance program in the world. Just as the insurance companies have agencies in every community, Social Security made community-based facilities part of the program's service delivery.

And this approach has paid off. It has fostered a high degree of confidence in the program, encouraged cooperation of the private sector, enhanced public information efforts, allowed better information and referral to the appropriate community social service agen-

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cies, and provided accessibility for the public to Social Security's programs.

Accessibility is a key consideration of service when the people we serve are elderly, economically disadvantaged, mentally or physically handicapped, children, widows, widowers. We deal with people during some of the most traumatic events of their lives.

Being in the community allows us to know what social service agencies can provide further services to our clients. We are made aware of, for example, support groups for parents of the mentally ill, of shelters for abused or homeless, of emergency food providers, and other social agencies or organizations that can help meet needs that we might identify. Information and referral activities are an important, intangible component of our service in our field offices.

With the community contacts we establish, we have more effective informational activities. We speak to local civic organizations. I understand we speak here once in a while and write newspaper articles and columns. We appear on radio and TV shows to keep people informed of the reporting responsibilities, program changes, and entitlement rights. Because we are known in the community, we receive extensive cooperation and media coverage at no charge. For years, for example, we have relied on the cooperation of employers, of funeral directors, of social agencies, the medical profession, accountants, attorneys, and others in the private sector to assist us in administering our programs. This is at tremendous cost savings. This has been the result of community contacts and relationships established by the field officers.

Most recently, the successful initiative for the magnetic tape wage reporting by employers, saving ultimately millions of dollars, was accomplished by persuasive field office contact with employers.

In the field office, we put the face on faceless bureaucrats when we respond to inquiries, a lot of it congressional, explain the complex programs, and inspire confidence in the program.

All of this is done at 1.3 percent administrative cost—paid from the trust funds. So, the field office structure carries its own weight.

But as we heard mentioned before, as a $200 billion operation, SSA is tempting to budgetmakers and cost cutters as a place to cut the deficit. This temptation exists despite a clear legislative history of Social Security financing with a specifically identified and continuing payroll tax to fully fund Social Security Programs. The proposed administrative reductions are made with little or no acknowledgement of the long-term implications on Social Security Programs. Although the bulk of our programs are financed through the trust funds, policy decisions are all too often based on the impact on the overall budget rather than what is best for the Social Security Program. For example, the recent cuts for the 20 percent in staffing over the next 5 years in the face of Census Bureau estimates that the American population over age 65 will increase by 3.5 million from 1985 to 1990 seems unconscionable. Removal of Social Security from the unified budget will help put decisionmaking back in its proper prospective to balance both the interests of the American taxpayer and the needs of current and future recipients of Social Security benefits. A recent survey of our membership shows an overwhelming majority support the quick removal of Social Security from the unified budget, and I would like

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to thank you both for your sponsorship of H.R. 825. We certainly appreciate that and think that is exactly what is needed.

A full 97 percent of our membership supports the independent agency status in the same survey because we feel that we can most effectively and efficiently serve with an independent agency. And this is in line with recommendations of the 1981 National Commission on Social Security, the 1983 National Commission on Social Security Reforms, and the 1984 Congressional Panel on Social Security organization.

In order to establish the long-range planning and decisionmaking, being an independent agency is a necessity. We cannot afford to repeat the past revolving-door leadership of nine commissioners in a dozen years. The price of this instability was evidenced in the near debacle of the SSI implementation in 1974, the financial crisis of 1979 and 1983, the deterioration of computer systems and the recent disability cessation fiasco. These are readily attributed to the lack of continuity of leadership.

And yet we are proud to work for Social Security in the field. And we are especially pleased to hear you have courteous and responsive service. That is what we are all about. We offer our recommendations in order to be able to continue to be proud. We recommend the independent agency with a board of directors and a commissioner, removing Social Security from the unified budget as a way to take Social Security out of the political arena and ensure decisions made on a sound program and administrative basis. The AARP, American Association of Retired Persons commissioned a national survey on the attitudes of the American public which was released last month. We were pleased to see that. And that survey clearly states that the majority of the American public clearly views Social Security as a highly successful and important Government program in the eyes of the American public. So, we urge the solid staffing, the preservation of the field structure, immediate removal of Social Security from the unified budget, and independent agency status to allow us to continue to justify the confidence of the American public. Thank you for inviting us to testify.

Mr. TAUKE. Thank you very much, Janet.

[Attachments to the prepared statement of Ms. Roth follow:]

[From Mass Media, a publication of the National Council of Social Security Management Associations, Inc., February 1984]

PAST PRESIDENTS, "PRESERVE OUR FIELD STRUCTURE"

[EDITOR'S NOTE: The following statement was prepared by the past presidents of the National Council and sent to Acting Commissioner McSteen. It captures the spirit and strength of the field office structure.]

I. RATIONALE FOR OUR FIELD NETWORK

SSA's field structure did not spring full grown from the brow of Zeus. It progressed purposefully from the inception of the program. Clearly, the founders of our social insurance system recognized its uniqueness.

Social security arrived as an unprecedented federal presence in our citizens' lives; a national bookkeeping system coupled with a new payroll tax promising future earned-right payments. Family benefits, based on documentable legal relationships had a profound implication for the program's service delivery. Just as insurance companies had agents in every community, so was Social Security made available to every claimant—at first on an itinerant basis and, currently, at permanent facilities.

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SSA's "bottom line" was personal, helpful, courteous service. The program required the goodwill of the American people. In their wisdom, the founders of the system decided to pay for it from program revenues. Thus, a self-supporting program geared not to cheap administration but good service was instituted. The public got its money's worth. We have been justly proud of the less-than-two-percent costs with which we built and operated the most massive and complex social program in the world.

There is now a growing tendency among our political leadership to depart from traditional SSA values. Not only are we viewed as a big check-writing machine but we are also a pawn in budget-balancing exercises. SSA is a target for those eager to make major reductions in federal expenditures. Our budget has been an irresistible temptation to recent administrations.

SSA's commitment to community-based service long predates the rapid growth of branch offices in the 60's and 70's. In 1958, SSA was proud to issue a statement of Bureau objectives. "Objective 6: Maintain an organization in which the public has a high degree of confidence and with which it is willing to cooperate" emphasized that "the effectiveness and economy of our administration depend upon an underlying willingness on the part of the public to cooperate. We could not force, without prohibitive expense, what is now done willingly. What people think of us, the picture of the organization they carry in their mind, derives from the type of personnel we select to represent the Bureau, how we train them, what our offices look like, the attitude of friendly and dependable service we adopt in all our public contacts." Objective 8 dealt specifically with service: "Maintain levels of service appropriate to our insurance program based on a concept of earned right and which will enable the Bureau to protect and maintain the rights of program participants." Part of this objective deals specifically with our philosophy about field facilities: "The number, qualifications and training of staff, housing, equipment, and technical facilities must all be matched to the kind of jobs we do and the quality with which we must perform them. Particularly at the place where the public meets the program our facilities should fully reflect the character of the program and the way it is administered. It is an important part of this objective to have facilities in the field which in type of space, location and number will provide convenience and comfort to the public and reflect credit on the program and the organization."

As the program expanded in the 60's and 70's the number of field facilities also expanded. The Medicare program brought about a real need for much more frequent contact by the elderly. Also the explosions in America's inner cities obviously impelled even further expansion, not out of intimidation but out of realization that America's biggest anti-poverty program needed to be close to the most vulnerable and "remote" of our society. Witness, for example, how few federal agencies followed suit. Even in a time of grave national concern there was no rush to create field networks by agencies whose mission did not require them. SSA was being true to its mission and its heritage. There was a logic to field office expansion that is ill-understood at present.

The impact of the SSI program must also be considered. The need to serve an impoverished clientele has borne out the need for neighborhood offices. Without exception, in our experience, welfare offices are more numerous than SSA's. Frequent contacts with a public whose circumstances and needs must be evaluated frequently, unlike the insurance program, create a need for more offices, rather than fewer. In urban areas, the sheer volume of recipients required that there be sufficient facilities to serve the public. In many instances, it became necessary to establish offices quite close together geographically because it was impossible to obtain large enough space in a single facility to cope with the numbers of people. For the first time, some offices even became "residence" for some of the homeless—the street people with no address to use save the Social Security office. If anything, our debt management problems point out the need for us to be even more visible in the community. We are spending hundreds of millions of dollars that could be saved if we were not so distant from our recipients despite our many offices.

In recent months SSA has increasingly been compared to airline ticket agencies, auto-teller banking, IRS and other highly automated and more centralized organizations. It is important to address the fallacies underlying many of these comparisons. While we share common processes with each example, we differ in profound ways. Our complexity and size set us apart from the relatively simple computer tasks of booking reservations. We are more like the commercial loan department of a bank than a teller making perfunctory transactions. If we withdraw to the bastions of an IRS "service" center we will more likely begin to emulate their incidence of fraud and program abuse. The citizen cannot deal with the maze created by the Social Security Act, regulations, and policies unaided. Without the community based Social

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security facility, the savvy and the rich would turn to private experts at great cost to themselves. The most vulnerable in our society, if not picked up and assisted by the social service network, would be completely lost in the system, not paid the benefits to which they are entitled. Private profit making assistance to the public would not necessarily be less costly to SSA. Many of us already know of some who have attempted to capitalize on such assistance to the disadvantage of the public who avail themselves of the service and to SSA, which must deal with incomplete, incorrect and improper development. The protection of the Trust Fund and public monies responsibility which SSA also has would be further jeopardized with more third party intervention between the public and SSA. Congressional constituent assistance would also increase as the public turned to more identifiable sources.

We proceed at our peril if we dismiss the overwhelming reasons we have evolved into a 1400 office agency. This has been neither a thoughtless nor a sinister process. Knowledgeable administrators of good will have recognized needs. SSA offices meet legitimate needs. For the most part SSA determined its current facilities by placing emphasis on service and sound administration. In the rare situations where mistakes were made in establishing facilities or where changing demographics have changed the service needs, changes can be made by SSA without tearing down the whole fabric of an effective field structure. What is too small a facility or too large a facility can only be determined on an individual basis taking into account the demographics, geography, and service and administrative needs of SSA. This is best determined by local decision—that is manager, AD, and regional officials. The local manager has usually been the first to identify where good overall service is not provided by continuing a level of service. More often than not, the local manager is overruled somewhere else in SSA, usually at the CO level, because political pressures outside SSA come into play. In most situations any branch office which would not support at least one supervisor, probably should be evaluated in terms of continued need.

As a concluding thought, the final rationale for our extensive network of offices is common decency. Filing a claim for Social Security or SSI benefits almost always represents a crisis in the applicant's life. Certainly recent death and disability are traumatic, but even retirement represents a watershed point. The occasion of filing for benefits is one that SSA has always tried to meet with dignity and a business-like setting.

We have tolerated itinerant stations, mobile units and shabby, overcrowded offices. We have never regarded them as fitting or proper. Our standards should not be diluted by a desire to save money at the expense of grieving widows, the suffering disabled, or the confused elderly.

Perhaps no other agency must routinely probe the most intimate details of a person's life. Circumstances of divorce, illegitimacy, mental competence and poverty are typical issues explored in interviews. Where those interviews take place and in what surrounding tells a lot about this government's sensitivity to its citizenry. We can be justly proud of SSA's historical attempts to assure that the solemnity and privacy of our claimant's business is respected. One does not expect to bear one's soul to a professional interviewer from the back of a bus, a library reading room or a public phone booth. Community based offices assure that such insults will be kept to the minimum.

II. VALUE OF OUR FIELD NETWORK

The Social Security Administration, as well as the program it delivers, represents one of the great political assets of any administration. It does more to rebut stereotype complaints about faceless federal bureaucrats than any other part of government. Service complaints are minuscule compared to the population served. These benefits result directly from SSA's community presence.

Administration of the Social Security law, as with most legislation, required the cooperation and consent of the governed. The costs of administering the program when fees for services are implemented or when law enforcement methods must be used skyrocket. For years we have relied on the cooperation of employers, funeral directors, social agencies, the medical profession and others in the private sector to assist in administering the program. This has been accomplished, not by fiat from Washington and Baltimore, but as a result of the community contacts and relationships established by the field office. As one example, we have learned what hidden costs have been involved when we began to pay banks to provide bank account data to help us administer the SSI program. We have achieved higher returns in debt collection when we have trained our own field staff to collect the money with their

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knowledge of the community and its resources than with reliance on GAO and the Department of Justice.

The political firestorm resulting from recent program cuts demonstrates Social Security's volatility. Without local offices staffed with articulate, competent professionals, the damage would have been far worse.

Implementation of controversial new programs is likewise affected by the presence of a local point of contact. Social Security has increasingly become an agent of immigration policy, of fiscal policy and of police work. The only thing that has prevented scandalous abuse is responsible local administration.

III. FIELD MANAGEMENT STRUCTURE

The foregoing intorduces a related theme, the professionalism of field management. That, too, is under attack. There is a direct correlation between the competitive career paths offered to field management staff and their ability to bring sophisticated direction to our complex programs and environments. As costly as SSA's grade structure may be, the cost of degradation would be much higher. There must be an avenue for field staff advancement within the field structure. What has to be recognized is that management in the SSA field structure requires program as well as administrative management. To manage successfully in the field environment requires program knowledge involving probably the most complex law in government in addition to the intricacies of personnel and administrative management. It is inconceivable, for those of us who lived through those days, to envision how SSA could have survived Medicare let alone SSI without the strength and abilities of our field management. The confusion, volume of work, numbers of people to be served, lack of systems support, new employees to be trained and in the case of SSI, chaotic policy making at the headquarters level, would have been completely, instead of almost, disastrous to SSA, without the skills of field management. Field management traditionally and almost without exception has come from the ranks. Field management positions and grades provided the avenue for careers for field employees.

For years the SIA standards have been the criteria for determining managers' grades. They have survived the test of classifiers, budget analysts and political appointees alike. The field structure provides the underpinning for the SSA administrative and classification structure. Traditionally, because of overall govenment-wide classification rules, and SSA's cost concerns, field grades, especially at the supervisory midlevel management level, have been underclassified considering the responsibilities involved. Comparisons with similar positions in other agencies have always showed SSA grades to come off second best. Despite this and despite the deficiencies of the SIA standards, they provide national coherence to our personnel system and in this sense are invaluable. Elimination of standard position descriptions and the grades attached to them would most assuredly result in chaos. The standards approach the manager not as a program technician but as a professional manager. This has been one of SSA's most distinguishing features over the years.

With the growing emphasis on management accountability for security, systems enhancements, and goal achievement, SSA needs a strong management structure. Recent experiments with eliminating ADM positions conflict with the agency's commitment to more intense managerial involvement in all phases of operations. It is shortsighted to choose immediate payroll savings over long term program losses due to inadequate supervision. The alter ego system has, in addition, served SSA well as an orderly training ground for truly professional managers. Given our lack of training for management, we would flounder without a position structure that compensates for that lack.

SSA has, over the years, experimented with different management structures. The principal feature of these plans has usually been the degradation of middle management roles. For example, administrative and personnel functions might be consolidated at an area level, leaving office managers as a kind of technical assistant. Such attempts have generally failed to show meaningful imporvements and often result in a loss of professionalism.

There is no empirical evidence available to impugn the basic structure SSA has in place. It has served the American public well for almost half a century. Improvements may be possible on an incremental basis. Wholesale revamping can only have destructive results. We must proceed with the caution bred of decades of successful management. A rededication of traditional principles is most needed at this time.

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[From the National Council of the Social Security Management Associations, Inc., July 25, 1985]

INDEPENDENT AGENCY SURVEY OF THE SOCIAL SECURITY ADMINISTRATION, FIELD OFFICE MANAGERS AND SUPERVISORS

1. Do you feel that Social Security would best function as an independent agency, removed from HHS?
1. Yes—96.82 percent.
2. No—2.64 percent.
2. Which of the following administrative structures would you like to see in Social Security?
1. Current—Commissioner appointed by the President—9.38 percent.
2. Board appointed by the President. Board hires the Commissioner—22.25 percent.
3. Commissioner appointed by the President. Advisory Board appointed by Congress—66.61 percent.
3. Should the President be able to fire Board members or should removal from office require a finding of misconduct?
1. At the pleasure of the President—10.37 percent.
2. With finding of misconduct—88.03 percent.
4. Should the Commissioner's term of office be the same as the President's 4 year term?
1. Yes—20.28 percent.
2. No—78.42 percent.
5. Should the President be able to fire the Commissioner or should removal from office require a finding of misconduct?
1. At the pleasure of the President—13.17 percent.
2. With finding of misconduct—85.46 percent.

If you answered question 1 in the affirmative, please answer questions 6 through 11.

6. Should old-age, survivors, and disability insurance be included in an independent Social Security Agency?
1. Yes—95.45 percent.
2. No—1.43 percent.
7. Should Medicare, Part A and B, be included in an independent Social Security Agency?
1. Yes—79.18 percent.
2. No—18.31 percent.
8. Should Medicaid be included in an independent Social Security Agency?
1. Yes—29.06 percent.
2. No—67.37 percent.
9. Should SSI be included in an independent Social Security Agency?
1. Yes—77.51 percent.
2. No—19.83 percent.
10. Should A.F.D.C. be included in an independent Social Security Agency?
1. Yes—23.08 percent.
2. No—73.27 percent.
11. Should Food Stamps be included in an independent Social Security Agency?
1. Yes—19.22 percent.
2. No—75.09 percent.
12. Should the 1990 date for removing Social Security funds from the unified budget be moved forward to an earlier date?
1. Yes—83.72 percent.
2. No—14.08 percent.
13. Should the state disability agencies be taken over by the federal government?
1. Yes—65.93 percent.
2. No—25.43 percent.

How strongly do you feel that SSA should have more independence from OPM and GSA to:

14. Recruit employees and set grade and pay and performance standards for job categories commensurate with the unique and essential mission of the agency?
Strongly agree—66.08 percent.
Agree—22.71 percent.
No opinion—2.95 percent.
Disagree—4.46 percent.
Strongly disagree—3.10 percent.
15. Acquire, lease, maintain and/or contract for property and office space?
Strongly agree—57.15 percent.

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Agree—27.85 percent.
No opinion—7.64 percent.
Disagree—4.01 percent.
Strongly disagree—2.34 percent.
16. Acquire, lease, maintain and/or contract for computer systems and services?
Strongly agree—64.79 percent.
Agree—24.07 percent.
No opinion—5.07 percent.
Disagree—3.10 percent.
Strongly disagree—2.27 percent.
17. Hire people on a job task/workforce plan rather than under a personnel ceiling?
Strongly agree—51.60 percent.
Agree—23.39 percent.
No opinion—11.73 percent.
Disagree—7.94 percent.
Strongly disagree—3.78 percent.
18. Provide for multi-year funding of large capital expenditures, including construction and computer acquisitions?
Strongly agree—57.30 percent.
Agree—29.52 percent.
No opinion—9.00 percent.
Disagree—1.81 percent.
Strongly disagree—1.58 percent.

Mr. TAUKE. The next witness is Linda McDonald who is the director of the Scenic Valley Area Agency on Aging up in Dubuque, and you had a little travel, too, Linda. That agency serves Dubuque, Delaware and Jackson Counties. And Linda has been with the agency for 6 years now and oversees all of its operations. Welcome.

Ms. MCDONALD. Thank you.

STATEMENT OF LINDA McDONALD, DIRECTOR, SCENIC VALLEY AREA 8 AGENCY ON AGING, DUBUQUE, IA

Ms. MCDONALD. Good morning. Thank you for providing my agency an opportunity to testify before the subcommittee and speak a little bit about the coordination that exists between the Social Security administrative district offices and the area Agency on Aging Network funded through the Older Americans Act.

As you know, the benefits available through Social Security are of vital importance to older Americans. Social Security benefits are the largest source of cash income for older persons. Almost all elderly receive Social Security benefits and many older persons receive almost their entire income from Social Security. So, unquestionably, the district office of the Social Security provide an important service and they impact significantly on the lives of older Iowans.

My remarks today will focus on how the Iowa Area Agencies on Aging and the district offices of Social Security Administration attempt to coordinate the delivery of Older Americans Act services and Social Security services. I will describe briefly three types of coordinating activities: efforts to provide information, efforts to improve access and efforts to protect the rights of beneficiaries. In regard to the coordination that exist in the distribution of information, the Social Security district offices in Iowa often use the resources that are available through the area agencies on aging to distribute timely information to older persons. For example, many district offices in Iowa contacted the area agencies in regard to the

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change in the tax treatment of benefits that became effective in January 1984. And as a result of this contact, the area agencies on aging and the district offices work together to inform as many older Iowans as possible about the change. Area agency on aging resources that were used in this effort were the senior centers such as the Witwer Center here, the newsletters that your agencies on aging published throughout Iowa, and nutrition programs. Other nutrition sites, they are not located in senior centers.

In regard to coordination of access to services, the Social Security district offices in Iowa use several methods to increase access to services. These methods include scheduling regular visits and office hours in rural counties that are served by a district office. Participating in local radio call-in programs and promoting a toll-free number that can be called whenever questions arise about Social Security programs. These methods are very much appreciated by older Iowans, particularly rural older Iowans.

District offices also work closely with the resources available through the area agencies on aging to improve service access. The staff of the area agencies on aging who work in the information and referral, outreach and transportation programs have shared with me many positive experiences of interagency coordination. And the two most frequent types or examples of such interagency experiences were district office personnel arranging the date and time of an office appointment for an older person to coincide with the minibus schedule and our minibuses have to run on schedule, and the district office responding courteously and promptly to requests for information and to referrals that are received from the staff of the area agencies on aging.

In regard to coordination and protecting the rights of beneficiaries, the Social Security district offices are responsible for implementing rules and operating procedures. The implementation of these rules and procedures can sometimes have an adverse impact on an older person. In this regard, the district office personnel in Iowa often work with area agencies on aging to eliminate or to minimize the adverse impact. For example, the district office personnel and area agency advocacy programs and legal assistance providers regularly schedule work shops, training sessions, and educational programs for beneficiaries and human service professionals. The goal of these work shops and training sessions is to provide information on Social Security rules and procedures so that the rights of beneficiaries are understood and protected.

In conclusion, I hope I have provided some brief, yet concrete examples of the ongoing, almost daily coordinating activities undertaken by the Iowa Area Agencies on Aging and the district offices of the Social Security Administration. I would be happy to answer questions about these activities or any other issues before the subcommittee today.

Mr. TAUKE. Thank you very much, Linda.

The next witness is Robin Heller, who is the assistant director of the Heritage Area 10 Agency on Aging in Cedar Rapids. The Heritage Area Agency on Aging serves Linn, Jones, Cedar, and Benton Counties. Robin has worked with the agency for 4½ years. Her primary responsibilities include coordinating the area senior citizens

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centers, the nutrition congregate meal sites, and the county task forces. Welcome, Robin.

Ms. HELLER. Thank you.

STATEMENT OF ROBIN HELLER, ASSISTANT DIRECTOR, HERITAGE AREA 10 AGENCY ON AGING, CEDAR RAPIDS, IA

Ms. HELLER. It is my pleasure to be here today representing the Heritage Agency on Aging. As Representative Tauke mentioned, we do cover a seven-county service area in east central Iowa. I thought today I would focus on some of the coordination efforts between our agency and the local Social Security offices. We do have contact with the offices in a variety of ways. One of the main things is information and referral. We get calls as the area agency on aging from people asking questions about Social Security. If they are basic questions, we can answer them ourselves and make referrals to the Social Security office.

We have received many calls from people who are approaching retirement wanting to know when they should sign up for Social Security and Medicare and how they go about doing this. We recently received a call which was referred to the local Social Security office from an elderly person who had not signed up for their Medicare when they turned 65 and now wanted to do so and did not know how to go about doing this.

In April this year, the Heritage Agency Legislative Committee sponsored a public forum on Medicare and health insurance for older people. The forum was designed to help older people understand the rapid changes that are taking place in the health care field. A staff person from our office contacted the local Social Security office for assistance in planning the program and locating the materials to use for the program. And from the number of calls we have been receiving since we did this program, it obviously was something that was of interest to the people that attended and also heard about it.

We do work with the Social Security offices to get information out to the people. Our agency has a weekly radio program called, "Time to Keep Living," and we have had Representative Tauke and various representatives from the Social Security office on the program to discuss Social Security. We also have a monthly agency newsletter which goes out to about 28,000 households in the southern county area. Articles on Social Security appear regularly in our newsletter and this information is received from the local offices.

Another example of coordination between our agencies is seen in the planning of an upcoming event. Our legislative committee and older Iowans' legislature delegates are planning a 50th anniversary celebration for Social Security to be held this spring. A staff person from our office contacted the local office here and was given information and ideas to use in the planning of this celebration, and we are planning an intergenerational event for area high school students and the elderly to get together and celebrate the 50th anniversary.

Another excellent example of coordination is the participation of James Higgins from the Iowa City office on one of our county task

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forces. The task force meets monthly to discuss issues of interest and concern to the elderly in Johnson County, and Mr. Higgins by being at the meeting is able to provide information and updates to the Task Force concerning Social Security. This has been very helpful to members of our task force.

Already there is some concern among elderly people in the Cedar Rapids area about the location of the Social Security office here. The office had been located in downtown Cedar Rapids, but it has moved to a location away from the downtown area that is not on a busline. We have heard concerns already from elderly people about the inaccessibility of this office. If there was not an office anywhere in this area, there would be much more difficulty in getting to these offices.

The Heritage Agency funds an elderly law program which provides legal assistance to the elderly. This program is staffed by a part-time attorney that we contract with and three senior advocates or paralegals. A priority of the elderly law program is assistance with public benefits, including Social Security, SSI, Medicare and Medicaid. During fiscal year 1985, which was July 1, 1984, through June 30, 1985, the citizen advocates assisted 173 clients with problems dealing with Social Security, SSI, and Medicare. Oftentimes the senior advocates assist their clients by telephoning, writing letters or filling out forms for them and communicating with the local office. It would be difficult for the senior advocates to help their elderly clients if they did not have access to a local Social Security office.

Our attorney works with people whose applications for benefits have been denied and also with overpayment cases. She also refers low-income persons that she works with to the Social Security office to apply for SSI. In talking with her, she raised two areas of concern involving the appeals process that she goes through.

The first had to do with filing for a request for reconsideration with the Social Security office when a person feels that a decision made on their claim is incorrect, and the second had to do with appealing an unfavorable hearing decision to the Appeals Council. Both of these she felt were time-consuming and often resulted in the same response that they had already gotten.

To conclude, I would like to share with you the results from a survey that we conducted last summer at the Congregate Meal sites in our area—84 percent of the 1,051 Congregate Meal participants responding reported that they received Social Security benefits; 17 percent of the people responding had incomes below the poverty level. Without their Social Security benefits, many more of these people would be living below the poverty level.

A report released by the Congressional Research Service in February 1984 and quoted in Modern Maturity concluded that without their monthly benefit checks, more than half of the elderly would be poor. I hope we never have to see that happen. Thank you.

Mr. TAUKE. Thank you very much. We appreciate your testimony, Robin.

Our last witness on this panel is Dixie Clark. Dixie Clark is the district administrator of Iowa Department of Human Services in Cedar Rapids, IA. She is responsible for the administration and delivery of department financial and service programs in a 10-county

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area in and around Cedar Rapids. In the Cedar Rapids area, she also serves on the United Way Allocations Committee and the Job Training Partnership Act Private Industry Council. Welcome, Dixie.

STATEMENT OF DIXIE CLARK, DISTRICT ADMINISTRATOR, IOWA DEPARTMENT OF HUMAN SERVICES, CEDAR RAPIDS, IA

Ms. CLARK. Thank you. Thank you, Mr. Tauke and Mr. Saxton for this opportunity. I certainly appreciate being able to be here today and speak to this group.

As the District Administrator for the Department of Human Services covering the Cedar Rapids district, I would like to curtail some of my comments specifically to the cooperation between the Department of Human Service offices and Social Security offices. The district Social Security offices serve approximately 66,000 Social Security beneficiaries in the Cedar Rapids district relative to the Department of Human Service area. Approximately 70 percent of the recipients are elderly. The remaining receive survivors and disability benefits. We do work very cooperatively with this area's three district offices of the Social Security. Those offices are located in Waterloo. It serves Harden County of my area. The Marshalltown district office which serves Tama, Winneshiek, and Marshall. The Cedar Rapids Social Security office which serves Iowa, Benton, Jones and Linn, and branches offices in Iowa City which serves Johnson and Washington Counties. The district offices also provide outreach services by scheduling a field representative for onsite visit to communities in the area. For example, a field representative from the Cedar Rapids district office schedules visits twice monthly in Marengo, Belle Plaine, Vinton, and Anamosa. These onsite visits are scheduled in the morning at a public building which enables beneficiaries to apply for benefits, resolve problems and ask for information without a long-distance drive to the Cedar Rapids vicinity.

The field representative then many times utilizes the afternoon to make home visits when necessary and applications are also taken.

The majority of the Social Security beneficiaries do not receive benefits from Human Services programs, nor do they in many cases anticipate meeting those services. We do serve clients which both agencies have in common and they can be found in three particular kinds of categories. No. 1, those clients whose social security benefits are under the Social Security maximum of $345, and those only eligible for SSI. The second category would be beneficiaries whose Social Security income exceeds the SSI maximum, but they do not receive the Social Security maximum or have the supplement to their benefit to another pension or investment income. This group may have high medical costs.

A third category would be beneficiaries whose income was sufficient to meet their needs, except they need a special living arrangement to meet their health care needs. The ones you may be familiar with are such as an intermediate care facility, in-home health, familywide homes or residential care.

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For the first group, SSI eligibles, the State of Iowa has contracted with Social Security to do the title 19 Medicaid eligibility determination. The local office processes the paperwork and issues the medical card to the client. This is a very cooperative effort requiring an exchange between administrative Social Security offices in Baltimore and our central office in Des Moines. The local workers in both Department of Human Services and the Social Security Administration offices work very closely in processing new applications.

It is also possible for an SSI applicant to file food stamp application at the district Social Security office. The application is then forwarded to the Department of Human Services and a second interview is then not required.

For the second group of common clients, an efficient network of services for the elderly is essential. In this group you find clients who need to choose between paying a utility bill, food, or purchasing prescribed medications. Although these clients usually have access to Medicare, Medicare does not cover prescriptions. Because of the high medical bills, these clients are often eligible for food stamps, sometimes energy assistance and sometimes transportation assistance.

The third group of common clients are those who need special living arrangements because of a medical need. These are persons who have spent down their resources and cannot continue to pay private rates. Their income is less than $975 per month. Human Services appreciates the cooperation that we do receive from the Social Security district offices when it is very necessary to verify income for these clients. Basically, in that category we are talking about the intermediate care facility type folks and the ones that would need that kind of service.

Information exchange between the Social Security Administration and the Department of Human Services relies mainly upon computer generated reports and verbal contact in person and frequently via the telephone. This system works exceedingly well. One, due to the cooperative attitude and rapport established between the two agencies, and additionally because of the physical location in some of my district areas relative to the agencies. This open communication and availability of information is of the greatest importance to timely service delivery and accuracy of information.

A breakdown and availability of information or cooperation would indeed have a dilatory effect upon clients.

Referrals between agencies are of a continuous nature. As an example, in the Marshalltown area, this takes place in the form of verbal or written referrals. Due to the close proximity of the two agencies, the client may gain a service delivery in a very timely manner. Oftentimes same day-service is available. I might add they are within the same block, within walking distance. It is great. It really does help.

Due to the extremely close working relationship between agencies, clients are insured accurate, appropriate and timely referrals and information. Coordination of benefits is also greatly enhanced. The ability of a client to interact with both agencies involved on a same-day basis is of the utmost importance, particularly to the el-

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derly and the disabled and that timely service is enhanced, time and cost factors are minimized and the agency's image is enhanced via coordination and priortization of service delivery. The close working relationship available is of great importance in emergent need and special or unusual circumstances on occasion.

The close-knit relationship between agencies allows accurate, timely and delivery of service in a unique or great need situations in a most beneficial manner.

I would like to speak generally to the views that are held by the Department of Human Services regarding independence of the Social Security Administration. We believe that the working relationship between the Social Security and the Department of Human Services is generally good statewide. The close working relationship is important especially in regard to the SSI and Medicaid Program since the Social Security SSI recipients are eligible for the Department's Medicaid Program. Also, many of the SSI Medicaid recipients are also Medicare eligible which requires coordination between the two agencies in the payment of medical claims. Medicare and Medicaid coverage reimbursement methodologies for medical services are often very similar for those services covered by both programs.

Although independent administration of the agencies is acceptable, close coordination and cooperation with program implementation is important. Iowa has a 1634 agreement with the Social Security Administration under which the Department of Human Services has agreed to administer the Medicaid Program to SSI-related, aged, blind, and disabled persons according to the SSI programs policy and procedure. We believe that the Social Security Administration and policy development for the SSI Program at the national level should give more consideration to the impact policy decisions will have on the Medicaid Program or allowances should be made for Medicaid to differ in those policies having an unfavorable impact when applied to the Medicaid Program.

Communications to Department of Human Services from the Social Security Administration in regard to the SSI Program policy and procedures could be improved. The Department attempts to administer the Medicaid Program to SSI-related categories according to the SSI Program requirements. The Department is made aware of SSI policy via SSI Program operation manuals which we do receive. We would additionally like to receive the other SSI Program instructions that are communicated within the Social Security Administration. We believe we could also benefit from those communications that explain, clarify, interpret, or provide special instructions beyond the SSI Program or operations manual. It is called a POMS. We believe that there should not be an independent organizational structure of the Social Security Administration from that fund if the Social Security is established as an independent agency, there would potentially be increased program fragmentation. Since programs are so very closely related, it is very important that there should be a close organizational structure.

Regarding the coordination between Older Americans Act Network and the Social Security Administration, our observations would be that the area agencies on aging are the primary users of the Older American Act funds in Iowa and their relationship with

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the Social Security Administration would be primarily in assisting clients in applying for benefits, getting answers to questions and possibly assisting clients in filing appeals of SSI denials.

Mr. TAUKE. Thank you very much, for your comments.

Let us take some time for some questions. First, Janet, if I may begin with you. I was struck by a couple of things you said. First of all, you indicated that you have 25 years in—the Social Security offices have 25 million face-to-face contacts with individuals during the course of the year, and 20 million phone contacts.

Ms. ROTH. Actually, it is over 20 million. That 20 million figure is just the teleservice centers, so that is not even counting what comes into the district office but we do not really have a way to count so we know that it is at least over that. That is the minimum number.

Mr. TAUKE. Well, I guess that is what struck me about it. It was amazing to me that you would have more contacts from a face-to-face basis than by phone. Do you think, that in fact, you probably do have more by phone than face to face or do senior citizens tend to rely on the face-to-face contact rather than using the telephone to talk to people at Social Security?

Ms. ROTH. Well, as I mentioned we do not have the records of the number of phone calls in the district offices but we do offer what we call Teleclaim Services in almost all offices whereby a citizen could file their claim and never have to come into the office at all. They could send their birth certificates, their proofs, and we could take care of that. Nationally, that only runs about 30 percent of our claims, so 70 percent of the people still would prefer to come in and talk to us face to face, deriving from that figure. Of course, then we have all the followup types of contact where you could change your address or request a direct deposit, those sorts of things, which generally are handled over the phone, but many people just feel that you do not get good service unless you look a person in the eye, I guess.

Mr. TAUKE. Generally, of course, we agree that there should be—we should be very careful in dealing with the problem of closing Social Security offices, you know, with the policy of closing Social Security offices, but I have to say I do not think we can take the position you cannot close any offices. I have noticed, for example, that in the Quad City areas of Iowa and Illinois, there is an office in Davenport and an office right across the river in Rock Island. They cannot be more than a mile apart. Now, that obviously is apparently the situation because of the regional line and it seems to me some of those regional lines are causing more inefficiency than efficiency.

For example, over in Dubuque, the people who live in east Dubuque who live about a half mile from the Social Security office in Dubuque are supposed to travel to Freeport in order to get their Social Security benefits.

Now, is there some way somebody in the system, is there some way that you can see that we can make those regional boundaries a little more flexible in determining that service area of the Social Security office? Do you see this as a problem? Do you think it might be possible to avoid duplication in an area like the Quad Cities?

Ms. ROTH. Well, certainly we are not saying that no offices should be closed or reviewed because I think we all recognize that there are demographic changes that would warrant some ongoing adjustments and those kinds of adjustments should be made when they are made with service and good administration and management practices as the criteria. So, the only thing that we have a concern about is when the budget criteria is the only criteria. The administrative savings are really not going to help the budget deficit. That seems to be the driving force behind the initial approach.

With respect to what is most convenient for claimants, certainly the policy is and maybe we are negligent to not making everyone aware of it, that a person can have any Social Security office service them that they wish. All they have to do is state a preference. So, for example, if there are two offices that you mentioned, if one is closer to the other, they simply may say, I wish this office to process my claim. Once the person's benefit rate is determined, he can go to any office in the country and have them conduct any of your business, whether it is change of address, any type of problem ongoing business that you have with Social Security processing, or Medicare claims, any of that can be handled anywhere. I know just the other day we got a long distance call from a woman in Washington that was trying to help out her mother that lives in Peoria. We told her it is not that we will not help you, and we did, of course. We would like for you to avoid the long distance call because your office in Washington can help you as well. So, there is not a problem but again I would state that it is not that offices should not be reviewed as ongoing good management practice, it is just that the overriding consideration should be what is good service. How far is it reasonable for a person to travel when they are dealing with people that it is harder for them to travel. You know, we have, like Mr. Rowe, I am sure it is difficult for him to travel with his disability, and the elderly people. There should be some sort of limitation and those should be the consideration of how do we provide best service.

Mr. TAUKE. I was struck also when you said that we have had nine commissioners in 12 years. I did not realize we have had that many. What is the problem? Why is it a revolving door?

Ms. ROTH. Well, they are, of course, political appointees.

Mr. TAUKE. Some political appointees last longer than that. Any particular reason why, that you aware of, maybe it is an unfair question to ask you.

Ms. ROTH. I guess if I would give an answer it would be truly conjecture. I am not sure except certainly with the size of our program, it is no easy agency to administer. We just are so big that anything we do is difficult because of the size of our program.

Mr. TAUKE. Thank you. The other three witnesses on this panel are not directly affiliated with the Social Security office, but work very closely with Social Security and obviously have a lot of contact with elderly citizens. If you were going to give a rating to the quality of service that is provided by Social Security offices, would you say they do an excellent job, a good job, fair job, poor job, and give some other characteristics you would like to use. But give me an idea of how you see the Social Security offices doing their jobs from the standpoint of senior citizens. Ms. Clark, would you?

Ms. CLARK. OK. Any information made available to me from all of my staff would read certainly, definitely good to excellent in many situations.

Mr. TAUKE. Linda?

Ms. MCDONALD. Oh, that's a very difficult question.

Mr. TAUKE. We do not claim to ask any easy ones.

Ms. MCDONALD. I think, based on the experience just in my area, that we could look at different ratings for different things. If we were to talk about the staff, the district staff, I think we would have some real common agreement of a very high rating. We have found them to be very courteous, very prompt in responding, going out of their way to answer questions, to rearrange schedules and appointments. So, we would rate them very high. If you were to look at some of the policies of the Social Security Administration itself, and look at those policies in relationship to services, something that we have just been discussing, I think you would have to give it a very low rating.

Mr. TAUKE. Robin?

Ms. HELLER. OK, I guess I would agree with what Linda said. One of the areas that I did mention was that time factor that is seen in many cases with people that are appealing a decision made through the Social Security office. This is something that our legal program has identified as a problem. I do not think it is anything that anybody is doing, it is just every extra step you put in there takes some more time. That would probably be the concern I would have. As our agency is working with the people at the district office and at the branch office in Iowa City, we have had a very good relationship in cooperation and assistance from them.

Mr. TAUKE. I may have more questions after I hear what Jim has to ask but before I turn it over to him I have to make a couple of announcements. First, I failed to set the record straight on the first panel. I misspoke and reconfirmed an error. It is Mary Jo Wood, not Mary Jo Woods, who was our first witness. So, for the record at least remove the "s," and I apologize for failing to correct that error earlier.

Second, I am to alert the individuals that there is coffee in the back of the room and if at any time you feel the desire to have a little coffee, do not hesitate to go back and partake and we thank the Whitwer Center for that courtesy. Jim.

Mr. SAXTON. If I may just ask the panel two questions. First for Janet Roth, many of us, and I mean us, have had difficulty in getting used to dealing with life in terms of computers and computer language. From one of the comments that you made that individuals could deal with whatever office they wanted to, almost anyplace in the country, I suspect that one of the reasons for that may be that we have installed a computer system which ties all of those offices in some way together. No. 1, is that true and does it work well, and No. 2, how have computers affected the efficiency of the various offices in terms of being able to deal with an individual's case? Is it quicker? Does it happen easier? Or does it take longer? And just generally can you respond to that kind of an inquiry to make me feel better about computers?

Ms. ROTH. Well, yes; I am very excited about what computers are doing and I think the reason that we are most excited is because

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some of the real leaps in terms of service that we see happening in that we can, for example, send a query and get your record where ever you are and be able to tell you what is happening on your claim.

Mr. SAXTON. Excuse me. You mean if I were in Cedar Rapids today and filed a claim and if I went to California to a local office tomorrow, that function could be transferred almost momentarily from Cedar Rapids to an office in California?

Ms. ROTH. I probably should make some distinctions between the point when your claim is finally processed and the record established for payment because we are working on it, and getting to the point where we are not so dependent on paper. But you could, for example, change your address in California even if you lived somewhere else. A little side anecdote, we of course, are under the Privacy Act and cannot tell anybody about anything, including husbands or wives, their address. I remember one incident in which I told a man yes he could change their address anywhere in the country and no, we cannot tell anyone, even your wife, and he did so. And for weeks afterwards, she was coming in begging me to tell her his address. So, yes, we can do that. And one of the biggest things that we are seeing with computers that were especially present is that it is taking us much, much less time to process a person's claim. We are not fully into an automated system. A computer will not ever be able to entirely replace people because we deal with all the things that people wish to remain private. It should be conducted in a very private, interview-type setting: how much money you make, how old they are, how many times were they married, illegitimate children, their mental faculty, all the details of their disability. Obviously, the computer can never replace that type of service. We are seeing, for example, rapid drops in our processing time for retirement claims. We now process them nationwide in under 3 weeks, and time is a component of service. That is one of the facilities that computers are helping us with. In the disability process we get medical evidence which is going to take a lot longer in order to give a complete review. Every time a disability claim goes through the review process, we are going out for new medical evidence, for any kind of statement people wish to submit, et cetera. Those go in some time lines. Even having the disability claim on a control system so that if you come in and you ask what stage it is in, we can direct any further inquiries to the right point, whether it is the Office of Hearings and Appeals or the Appeals Council or if it is at the reconsideration stage in the DDS at this stage.

Mr. SAXTON. Let me see if I—if an individual comes—when an individual comes in to begin the process of claim, that individual would not have to deal with a computer. That individual would deal with an interviewer and that interviewer would then——

Ms. ROTH. An interviewer has to deal with the computer.

Mr. SAXTON. Right, and that interviewer would enter the information into the computer. At that point the interviewer would begin to process the claim more efficiently by eliminating the time it would take to type some form, by eliminating the time it would take to put that in the mail and wait for it to get to a central location. The staff would eliminate time at the central location where

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the form would again be processed and eliminate time for that processor to retype the form after finding the information and send it back to the district local office where that process might take 1 week or 2 weeks. Is that the amount of time that might be eliminated by the computer operation?

Ms. ROTH. Well, for example what are called accelerated claims processing is the instance where we are able instead of printing out manually a person's entire work record from which we compute their benefits, we can simply put the information that they give us on to the computer tape and then when we get a review of their record. We review it and we simply input a message to trigger payment. Right now I would not live or die by these figures but I think it is about 30 percent that are the accelerated claims process. And the manual records take longer because then we are still dealing with a paper record that has to be mailed back to the Social Security office and reviewed in that form. And then if it is OK, sent on to the payment center for processing. So, whenever we can eliminate a lot of those steps, then we can be able to give faster processing time.

Mr. SAXTON. Thank you.

Dixie, I think what we are attempting to do with H.R. 825 is to make Social Security more secure in terms of people's ability to rely on it. We think by that, by separating the trust fund from the unified budget, we go a long way toward accomplishing that. What made me curious about your statement was that somehow or another that would denegrate the level of services that could be provided by the coordination of your agency with the Social Security Administration.

Now, I wondered if you could speak to that a little bit further to No. 1, tell us why that is, and No. 2, if you have looked at the legislation and is there something in that legislation that necessarily makes that separation for sure going to happen, and if it does that concerns me a little bit.

Ms. CLARK. Some of the input that I have, certainly from some of my upper administration as well, and I think the major concern is, is this viewed by Department and Administration, they do not want to see any segmentation of information fall. They certainly do not want to have a dilatory effect upon a client, which is what I hear you saying which makes me feel better. I think they want very much to, and including myself, to have that guarantee if possible in that phraseology of sharing information and to insure that some of the problems that are currently identified as I spoke to at least in brevity. The one issue that that does not branch out further is there are some problems that we deal with relative to the Administration right now, and as I spoke to earlier, the way you are trying to identify the rating, you know, as Mr. Tauke asked me to. I would say good to excellent when you get into the administration of the program relative to the policies and procedures and how those are established and relayed on down. I think they can potentially lighten the problem, and it could segment that off further. That communication is so key between our two agencies not to provide a minimally adequate service but to provide an excellent kind of service. I think that is the key.

Mr. SAXTON. Thank you.

Mr. TAUKE. In following up on that, Dixie, I do not trust that there is a whole lot of communication between the Health Care and Financing Administration and the Social Security Administration right now, do you? Even though they are in the same Department of Health and Human Services, and I do not know if they compare notes before they issue policies or regulations.

Ms. CLARK. That would be a difficult one for me to generally answer. I guess I would have to conjecture that one myself. I do not exactly, know how that transpired.

Mr. TAUKE. Let me phrase it another way. Do you not sometimes run into situations where the changes made in policy by the Social Security Administration do not seem to have related to what is being done over on Medicaid?

Ms. CLARK. I cannot think of a situation right off the top of my head. Maybe I will have to consider that some more and see if I can think of some.

Mr. TAUKE. Well, part of that is Congress' fault, too in the way we handle Medicaid. We deal with it separately, of course, from Social Security, too, even though they are tied together.

Ms. CLARK. Um-hum, yeah.

Mr. TAUKE. If I may come back to you again, Janet, for just a minute. Following up on what Congressman Saxton was asking, System's Modernization, which is going to into affect in the Social Security offices is often given as the reason for justifying a 21-percent reduction in employment over the next 4 to 5 years. Do you believe that System's Modernization can result in some reduction in employment levels? If so, what kind of reduction could be anticipated as a result of the time savings that would be accrued from these changes in the system?

Ms. ROTH. Well, I think we would see, for example, the elimination of the data review technician position which is the person that generally takes the information from the application, puts it onto the computer-type form and then it is teletyped into Baltimore for the earnings record. Eventually System's Modernization will be put into effect where the interviewer as they speak with the person would enter that information into the computer. But actually there is really no data available in the reductions proposed prior to any knowledge of what kind of time savings would be because, for example, we are still in the pilot stage. We do not know how much longer it is going to take a person to type that into the computer. These are people that have not typed before that were not hired with typing skills, but the computer will probably take less than the data transcriber who writes it onto the form.

So, I am certain that there would be some time saving. It was not known at the time these reductions were proposed and still is not known.

Mr. TAUKE. Do you think it is fair to say that there will be some time savings and that as a result you could anticipate perhaps some savings or reduction in staff probably through attrition.

Ms. ROTH. Certainly.

Mr. TAUKE. In the Social Security Administration.

Ms. ROTH. Certainly, there should be some time savings. For example, many of our computations are extremely complex. They plan as part of the system's modernization plan to put those into

the computer. Well, we should be able, after the programs and things are validated, to then rely on these computations, whereas now your more complex situations automatically go through a review process. So, yes, I am certain that there will be some savings of staff, but the amount of the savings is unknown and hopefully it would go in tandem with the attrition rate.

Mr. TAUKE. Do you have any kind of recordkeeping within the Social Security Administration which would permit you to know for example what the average time is to take a claim in a given office. Would it be possible, therefore, to compare what it is under the old system when you do it by hand with what it might be in Baltimore now that they have converted to the new system? Is that kind of record or information available?

Ms. ROTH. To a degree I guess it is done by hand, too, under what was called the dollar systems where you measure how long it takes us to process each type of claim that we handle. So, for example, we know that a retirement claim takes *x* amount of hours. But those are everyone's hours added in. I am certain that if we do not have the data that it would be possible to design such a study because the mechanism is in place to capture that specific information as to how much time, for example, the data technician now takes.

Mr. TAUKE. For Linda and Robin, if I could just ask a couple of questions relating to title III of the Older Americans Act because I am also the ranking member of the subcommittee that handles that program. We are about to do some rewriting of the Older Americans Act. So, let me take this opportunity to ask a couple of questions about it. First of all, on the transportation side of it, if for example, we would decide that it was appropriate to make some changes in Social Security offices, is there sufficient money under your transportation funds under the Older Americans Act to be able to provide adequate transportion services for people from rural areas now to the Social Security offices and would it be possible to expand that in the years ahead?

Ms. HELLER. That is not a hard one to answer. No. We find right now that transportation is a real problem for people, especially the rural areas getting into appointments at certain times and working within the schedule of the transportation system. We think we have good transportation systems in the State, but there is not enough money in the system to provide enough service.

Mr. TAUKE. Linda, do you have any——

Ms. ROTH. If I could speak and add something to that point, one of the other important programs that the Social Security Administration administers is the Supplemental Security Income which is a program based on need. So, those people are by definition in poverty, and we are charged with reevaluating and redetermining their eligibility with a great deal of frequency. Those are the people, with requirements for face-to-face interviews, are the people that would be—it would be most difficult and be the greatest hardship for them to come into the offices. So, the further away you were, the more difficult it would be for that entire segment that we serve to come.

Mr. TAUKE. What about information and referral funds? I gathered that not just the area agencies, but also the Department of

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Human Services is doing some information and referral. And you answer apparently quite a few Social Security questions. Is that an avenue for filling in any gaps that might be left by changes in the Social Security Administration's policies?

Ms. ROTH. I do not know. What the information and referral and the Department does is simply to fill the gaps. I do not think logically it would do that. The crossover of the programs, how they are coordinated, are relative to the same clientele and works in an excellent fashion. In addendum we need refer folks to processes and availabilities that may not have thought of before, too.

Mr. TAUKE. Why are they calling you now rather than the Social Security office?

Ms. ROTH. Many times we are the first agency that people think of, and so I think we automatically get some folks in from there. We do an awful lot of information and referral for other agencies in addendum to Social Security. We get into a lot of that.

Mr. TAUKE. Any other observations you want to share?

Ms. HELLER. I guess I would feel the same way. We do very basic answers to questions at this point, and then refer people to the Social Security office from more indepth information about their particular question, and I think, there are people that maybe participate in our Congregate Meals Program or receive or involvement newsletter and they know that we exist and it is a place to start. We will call and maybe if they do not know, they can tell us how to get where we need to go.

Ms. MCDONALD. Getting back to your original question, Congressman Tauke, I am not sure I understood it, but I do not think that there are changes needed in the Older Americans Act legislation in the law itself that would booster the access programs that the area agencies on aging provide that bring people to Social Security offices and provide information and referral on Social Security programs. I guess it is on the appropriation side that the most benefit would be received.

I understand that this year there is a freeze anticipated for Older Americans Act programs.

Last year it was a very small amount of increase. So, there is not much more in addition that area agencies on aging can do when they are not getting increases in funds or they are being frozen. We are trying our best to maintain the level of service.

You asked about transportation. Several years ago when you had your rural services subcommittee hearing here in Iowa, we talked about transportation at that time and things have not really improved. We try our best. We have gone to volunteers providing transportation instead of minibuses because volunteers do not cost as much in operating expenses as minibuses. We have initiated priorities for minibus or volunteer service, and the priorities are that a person needs to have a medical reason or a health reason of some sort to receive transportation services. Grocery shopping is another priority and a third one is services such as Social Security services. So, getting back to your original question, I am not sure those changes are needed in the law itself I guess but we would like to see some changes in the appropriations.

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Mr. TAUKE. I would like to thank all of you for testifying this morning. We appreciate it and again if you have additional thoughts or comments as weeks go by, please get in touch.

Now, I would like to call the third panel forward. The representatives testifying on that panel are Donald Moonen, president of the Dubuque County Bar Association, Leonard Messer, the area leader of Green Thumb, and John Steel and Al Achtner from the American Federation of Government Employees.

[Pause.]

Mr. TAUKE. Will the meeting come to order again. First I would like to call on John Steel and Al Achtner who represent the American Federation of Government Employees and who do the day-to-day work in the Social Security offices. John, I understand you are testifying and, Al, you will be here for any consultation and questions. OK, John, would you like to go ahead.

STATEMENT OF JOHN STEEL, PAST PRESIDENT, AFGE LOCAL 3886, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES; ACCOMPANIED BY AL ACHTNER, VICE PRESIDENT, LOCAL 3886, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. STEEL. All right. Thank you very much, Tom. First of all, I would like to express my appreciation on behalf of myself and those union employees that I represent for the opportunity to appear before this subcommittee and give you some of our views.

My name is John Steel. I am a past president of AFGE local 3886 which represents employees in the Cedar Rapids and Iowa City Social Security offices. My appearance is for the union, not for Social Security. I recently retired after 25 years with the Cedar Rapids office as a claims representative and a field representative.

I wish first of all, Tom, to acknowledge the keen interest and support of you as our Congressman from the Second District of Iowa. Our workers appreciate very much your support and interest in all Social Security matters. Tom, you realize that the staffing in our offices in the Second District is vital to the delivery of benefits and services to the people you represent. Current administration proposals would cut staff by 20 percent and close all of our offices in your district. The latest reports show that only Des Moines, Sioux City, Waterloo, and Davenport would remain to serve the State of Iowa if administration proposals were implemented. We are promised in exchange for these cuts that new systems now being developed and those being planned would take up the slack. I say to you that no computer or systems that can be devised can replace the work done at the grassroots level to administer the Social Security Programs.

The Claims Representative is the hub around which all claims work originates in the agency. In 1971 it was reported that the average claims representative authorized claims that obligated the trust funds to pay out $10 million each year that he worked. Now, the value of those claims today with inflation and increases would be worth $40 million. The Claims Representative takes the application for benefits, decides evidence needed, checks to see if all law requirements are met, and makes the decision on entitlement and amount of benefits. To do this work he must conduct interviews,

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make and take telephone calls, work on his pending load of up to 100 claims. He must read and digest many, many pages of internal instructions and keep a working knowledge of the details of each claim he processes until it is completed.

Nine out of 10 workers today are covered and pay into the Social Security trust funds. One out of every six workers now receives Social Security benefits or Medicare benefits. These workers need to have access to the Social Security offices in order to ask about and receive the benefits to which they are entitled under the law. If offices are reduced in number to only four in Iowa, how is this going to be possible?

How well have we been doing our work in Social Security?

Ninety-nine point six percent accuracy has been made in payment of Social Security benefits.

Ninety-six point four percent accuracy in payment of supplemental security benefits.

The cost of administration is only 1.5 cents for each dollar of tax collected.

Let us face it. Most people are terrified by the prospect of coming to a Federal agency to ask for benefits. To help these people, the Social Security worker must establish a personal relationship. This means the worker must have empathy for the claimant and assure him that we are here to serve him in all ways that we can. The claimant must have complete and accurate advice if he is to be able to fulfill his requirement in presenting evidence to support his claim. I am sure that you will find workers with this empathy in all of the Social Security offices. I hope that we will be able to keep this level of service and do an accurate job. To do this, a face-to-face interview is essential. Take away 20 percent of the personnel and most of the offices in Iowa and delivering this level of service will be humanly impossible.

Let us look at the proposed new system that was mentioned by Janet Roth in her presentation. The main system the administration hopes will take over a substantial part of the workload is the installation of computer terminals on the desk of each claims representative. Two pilot offices are currently using this new system. Reports indicate after 6 months interviewing time in taking the claim has increased. The claimant is held at the interviewing desk longer while the information is obtained and fed into the computer. This system was supposed to check obvious errors on input data, eliminate several clerical functions, and generate alerts on follow-up dates. We understand these functions are not being done by the computer. Supportive clerical functions remain unchanged. Net result is increased processing time to use this new system.

The agency's past experience shows introducing a new system requires several months and years in planning and implementing before it is reliable. The current systems now in use were years in the mainstream of production before they were dependable. Based on the past history, both my coworkers and I feel that this promise of new system capability is so far just a dream. Complexity and volume demanded by the workload defy any expectation of dramatic success. Even more devastating to us is the realization that the central office has made no study to see what, in fact, this change would make on processing current programs.

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Central office administration monitors operations by means of statistics, such as who is doing what, how long does it take, and how accurate is the end product. Results are published in regions and districts compete against each other for the best record. Management of the district offices is faced with the job of getting the work done and making the statistics look good. A hiring freeze has been the rule for so many years as far as personnel is concerned that we cannot recall when it first started. The statistics get to be the main concern for survival and in this panel, beneficiaries and the working employees are lost in the struggle.

Pending workloads are currently high in the offices. Turnover of personnel is increasing, and morale of workers sinks lower. Adoption of the administration proposal to cut offices and staff will only increase these problems.

To avoid this result, I recommend that the Social Security Administration be established as a separate agency. Passage of H.R. 825 would accomplish this end. This would allow the agency to deal directly and promptly with our business.

I also recommend that the budget for the Social Security Administration be removed from the unified budget process. This will return things to where they once were. Congress does not have to appropriate funds to meet our budget. All they need to do is authorize expenditure from the trust funds. Revenues are already provided in the Social Security Act from workers and employers.

I also recommend that the House Appropriations Committee when drafting next year's budget include the following:

First, freeze Social Security Administration staff members at 98 percent of current levels.

Second, freeze the number of Social Security offices to the number currently in operation.

Adoption of these proposals will assure adequate services vital to the administration of the Social Security programs.

It is time for the administration to realize that budget decisions should not be based on dollar amounts alone. Drastic proposals to cut Social Security service ignores that this agency more than any other in our Federal Government represents people. More people's daily lives are directly affected by what this agency does or does not do, than any other agency public or private. Do not allow this reduction to go into effect or you will seriously undermine the agency's ability to administer this vast and complex program.

Thank you very much for appearing Tom and Jim.

Mr. TAUKE. Thank you very much, John.

Our next witness is Donald Moonen, who is the president of Dubuque County Bar Association. He has been active in studying the Social Security system for the bar association in order to make legislative recommendations. We welcome you.

STATEMENT OF DONALD MOONEN, PRESIDENT, DUBUQUE COUNTY BAR ASSOCIATION, DUBUQUE, IA

Mr. MOONEN. Thank you.

Well, my remarks will not be as formally presented, but I would like to say before I say anything on behalf of myself or the organization that I represent that the remarks that I just heard, I think,

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although they are presented by a representative of an organization that has their own interest involved, their employment and such. I think that much more than in any other situation I can of the remarks although they are coming from employees that provide these services whose jobs may be in jeopardy or at least their lives, plus, I think, they are very well put, and in this situation I think the position of the Social Security—the employee and the Social Security system are the same as the citizens of the United States.

I think a lot of the remarks made are the same things that I will probably touch on and that is that there, I think, as he said, more than in any other function of the U.S. Government in the administration of the Social Security services it seems more important to the citizens of the United States every year. There is a definite and absolute need for personal face-to-face handling of all these matters. And that just cannot be done in any kind of bureaucratic way through the mails or even telephone. My personal experience with operating a Social Security system is somewhat limited. This is not a specialty of mine or anything but anyone in general practice gets some involvement with disability cases, retirement cases both involving probate and just serving your general clientele and the other things that come up, and these affect everyone. My father right now is on Social Security disability at the age of 60 because of severe health problems.

He lives up in the Minneapolis area, but in his situation, there is a lot of initial confusion there because of the way it came up and it was very satisfactorily handled and I think efficiently handled, but I know in his situation that I think if there would not have been a local office for that problem to be dealt with, there would have been a lot of hardship in my own family with my mother and my brothers up there if there would not have been the staff locally to deal with this and look into the individual factors there and make the determination.

I think disability has a lot more complexities to it than other systems but I had this happen in my own practice where—it is very common around here and I believe probably in all other agricultural areas in the United States where the family farms, the head of the family, the father will retire. He will one way or the other turn the farm over to his son or a couple of sons selling it to them, and in most cases around here, it is done on a share crop basis where he still has some involvement. He is putting money into livestock, machinery, seed, everything that goes with a farming operation and is sharing whatever profits, unfortunately they are blending at present.

But there is a definite day-to-day involvement there and what you get into a lot of times is because they have the financial involvement because it is a family involvement there is obviously going to be a personal involvement, and, of course, there is regulation with the retirement benefits that the activity has to be limited. I know of several cases where initially there is a problem with handling that with the retirement benefits and with the personal staff available. All the cases I have known have been satisfactorily and fairly handled. I mean sometimes the man just has to be told that he cannot have the involvement that he likes but yet at least you get the clarity there. The local staff can get into the specifics

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of the case and I think it is many, many times it has to be dealt with just like with disability cases on an individual basis and the more you get away from local service, the less that the system is really going to be administered the way I think it has to be.

It is vital to the American public. It goes far beyond the retirement benefits would involve the most of the citizenry but these people need somewhere to go. I basically am here representing the Dubuque Bar Association because we were concerned when there was a rumor, or more than a rumor of the possibility of closing the local offices.

One of the reasons that I have a particular interest in this is because I practice not only Iowa but also in Illinois, and also because where we are, the State of Wisconsin also geographically meets there. There are quite a few attorneys in the area, friends of mine who represent people in Wisconsin. I am not fully aware of all the ramifications of this streamlining plan but it is not too hard to guess knowing the geography around here of what was likely. I think perhaps even a greater concern that the fact that people from our area may have to go all the way to Waterloo or who knows, Des Moines or whatever they are going to get into, the people in Wisconsin probably would almost certainly have to go to Madison. The people in Illinois would have to go almost certainly all the way to Rockford, IL, and I know from growing up on the Illinois side of Dubuque that that is impractical.

For people in probably more than just the contiguous counties of Wisconsin and Illinois next to Dubuque County, IA, Dubuque, IA, was the social center, the business center, educational center, everything, really every facet of their lives, the media center for society there. And when these people get their initial cards, when they go for retirement benefits, go for problems, questions, they are going to go to the Dubuque, IA, office, and I know from handling certain probate matters, people in Illinois I have ended up processing through a branch office in Freeport, IL, which I am certain also probably would be closed up under this program, but even those small branch offices I do not think are sufficient to handle it. I think you do need those and you also need local service centers and certainly I would not consider Dubuque, IA, center small because they handle quite a bit. I have been in there a lot. It is always busy. It is almost impossible to get through to them on the phone. I think all is just an indication that although there are some frustrations even getting through that level, which indicates maybe, you know, it accentuates the viability of these even smaller offices, satellite offices.

But what it is telling you is that an office such as Dubuque which may on a national scope seem like a really small and insignificant office is very busy and it is very vital to the people in that area. And like I said, it is vital not just to Iowa residents because it is Iowa, but it is vital to Wisconsin residents and it is vital to Illinois residents.

Another idea that I would support from the last remark is that in our view except for perhaps the post office, the Social Security system is the most important thing to the American public on a day-to-day and month-to-month basis and it is the most important for them to have local services available. I do a lot of income tax-

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ation work and more and more the IRS are closing up their local offices for budgetary reasons and I think that is a disservice to the American citizens. What it is doing, and I think what this streamlining of the Social Security offices would be doing, and this is—these are going to be remarks from—the opposite to the financial interest of lawyers.

What I think it's going to do because I know it has done this with income taxation is it forces people more and more to seek professional services which very often are lawyers. But other services, too. And at least with income taxation I think the income tax rules primarily are affecting the people who are fairly well off or at least have enough financial stability to where they are seeking professional services to reduce their taxes and to keep as much of their money as possible. And I think in an income tax situation, I think the system is fairly equitable in that people on a real low income level, people with the lesser education, the poor health, they do not have to be that much concerned with the income tax so that they are of course, in an income tax situation really are the people who are really forced to seek professional services are the people who can least afford it.

I think in the Social Security system, if you are taking away the local services from people, the people with the least education, the least money and the poorest health are those people who are not going to be able to get to the services, they are not going to be able to understand and handle paperwork. They probably are not going to be able to properly be able to express their problems and information and such by telephone, and they are not going to be able to afford to go to people like we lawyers or any other professional services to pay to get the information and the assistance they need to deal with the system. I think from —that it is just logical that because of the experiences with all kinds of bureaucracies when you do anything through the mails particularly, whether or not it is computers, and that is certainly a factor because you do not have the personal assistance from the Government employee, but whenever you do things by mail, you just end up with confusion. You have delays. You have mistakes and you have frustrations.

And that is not any criticism of Federal employees by any means. It is just natural that if you've got someone you can go the office and sit down and talk this out, you are going to be able to get the information right back and forth. You are going to have the questions that I do not even think can be properly handled through the use of a telephone. And I know from hundreds of times trying to get through to the IRS phone services, there are toll-free services you are supposed to be able to get through to them.

First, I can go 2 or 3 days and never get through. The other thing that could happen is you get someone on the phone and they have training I am certain to the basics or to some certain specialties of the system and if you have any kind of an unusual situation at all, they do not know how to answer it. I know with the IRS system and this again is not cricitism of how it is handled because I think the people are genuinely interested and do the best they can, but whenever there is anything complicated, I can certainly think that you are going to have the same kind of situations with

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Social Security is that they cannot answer it. They take as much information as they can.

They say they will give a written answer and most of the time, that is going to be a couple weeks or a month away because there has to be necessary research and then of course what you can get into is that that will not fully answer the question. Then you end up processing information back by phone or by mail and if nothing else, you are going to have delays. I think most things are properly handled and you get to the right result at the end. The one thing about income tax is usually you are at least talking with a citizen owing Government money and there is nothing of a vital, immediate concern. In other words, sometimes you have deadlines to meet but you are not going to have any personal hardship because of the delay. And I think the opposite could happen in a Social Security situation.

I know like I said from my own father's situation and from numerous personal situations that I dealt with as an attorney, you are talking about benefits whether they are disability or retirement or benefits to children of a deceased insured worker. You are talking about money that these people need right away that is their primary source of running their household, and any delays at all is going to be a real extreme hardship. And I just—it is hard to imagine how the system could work at all, and I think any benefits that there are going to be budgetarywise for the U.S. Government are not going to nearly offset the loss, and as for dollars and the value in dollars of the suffering and the problems that that is going to create for American citizens.

I would say lastly, I did bring with me a Social Security handbook that I think fairly—it does a good job of making the Social Security system easily readable. Of course, it is going to be easier for attorneys who deal with this kind of language all the time to read it.

But I think just the thickness shows that the Social Security—the administration of Social Security system is complex. It is complicated and for me it is comparable again to the income tax system. I think just looking at what people would have to deal with shows that they need local and personal assistance to be able to get this, and doing this kind of thing by sending them forms and sheets through the mail or trying to explain this kind of thing on the telephone just will not work. Thank you.

Mr. TAUKE. Thank you, Don, for traveling from Dubuque to testify this morning.

Our final witness of the morning is Leonard Messer who is a member and area representative of Green Thumb. Mr. Messer has a masters of education and was an art instructor. He enrolled in Green Thumb back in 1982 and became an area leader in 1984. As an area leader he is responsible for four counties and supervises 25 enrollees. He also works with the Mahaska County Conservation Society and presents programs related to this work in the area schools. It sounds like you are pretty busy. We thank you for taking time from that busy schedule to join us this morning.

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STATEMENT OF LEONARD MESSER, AREA LEADER, GREEN THUMB, NEW SHARON, IA

Mr. MESSER. That is quite an introduction. Mr. Tauke and Mr. Saxton, I do consider it a privilege of a friend before you this morning. I work with the elderly people and as I sat here and listened to some of the others and I did arrive a little late for which I apologize. However, by doing so you do not have to hear the other remarks and you are not being repetitive in nature and possibly you would enjoy hearing it a little more if you do not hear it over and over again.

And as I listened I also considered the fact that maybe I should toss these cards over my shoulder because I feel that I am carrying the concerns with me today of the older people, and someone entitled this panel, The Front Line of Service Delivery and I do feel that is what I am doing today. I work with these people. I know how they feel. I know their concerns, and I am happy to bring some of them to you. I will try to stay within the content of the letter that you sent out and I believe that I can do so, but I do like to trade their concerns.

I am Leonard Messer. I am pressently employed by the Green Thumb Organization which is part of the Title Act Program, and I would like also at this time to introduce Betty Henak, my Green Thumb area supervisor.

I feel that I was inconsistent with my purpose if I did not put in a plug for Green Thumb. I have worked over the 1½ years with Green Thumb as an enrollee and I am presently an area leader. During this relatively short time I have found the program to be most helpful to the older population and to the general community. I have found that the Green Thumb program in Iowa is well administered and most productive. I have found the Social Security district offices to be very cooperative. As a Green Thumb enrollee I have attended two meetings, one in Des Moines and one in Cedar Rapids. Both meetings were conducted in a manner and language that all could readily understand. The question and answer sessions at the end of the meetings reviewed of the many concerns that the older population has.

We have in the past few months heard rumors of a pending reduction of Social Security offices. This is of great concern. The many questions to be answered cannot be answered satisfactorily in many cases by telephone or letter. Many of the older population cannot correspond satisfactorily by these means. They may not be able to hear well and in some cases cannot write legibly.

I know that you have some workers in the Social Security system who visit the homes, but this must be for severe needs. You could not visit all who need this.

The branch offices of Social Security which theoretically may be looked upon as an extension of the district office are viewed to the older population as my office. It is near enough that the people feel at home and feel that they can go there and have their Social Security problems answered. It might be possible to have some staff reduction, but some type of general practitioner or someone with an overall knowledge of the system needs to be close at hand for the

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forwarding of their questions to the proper place so that they can resolve their problems.

I know that you have heard many times along with high fuel bills and telephone bills that one of the great concerns of the older population is transportation and I have heard it here today. This is true and it is very much true in rural districts. We know that there are far less elderly in the farm areas and that the elderly are more concentrated in the city but transportation and communication therefore becomes a great concern to the rural elderly people. They have just as many questions to resolve but must concur distance in satisfaction. Many elderly are unaware and unfamiliar with services that are available to them. This is a fact that I was unaware of until I started working for Green Thumb. I am now an area leader for Green Thumb and was quite surprised that they many times not only recognize us as their supervisor, but many times as counselor. They expect us to be well informed and I guess that we probably have more opportunity to do so than they, and we are, of course, happy to do it.

I do not want to take too much of your time, but I would like to briefly make one more statement about people over 55. That is where we begin with our—in the years just prior to retirement, workers are more likely to become unemployed than any other period in their working lives. You probably are aware that middle-aged unemployment is currently high. There are reasons for this, of course, such as rapidly changing technology and the fact that younger people can usually be hired at a lower rate than the experienced worker. His experience may be too costly for today's production methods and cost-conscious administrators. Merit to these workers is many times a joke. But I will not go into that now.

Once these people just over 55 enter the unemployment ranks, they have a harder time reentering the workforce. They face discrimination but a hard thing to prove. There are many other concerns that I could relate but I am certain that you have heard most of them from others more learned than I and as for coordination of the Social Security Administration and the Older Americans Act, my relatively short experience has been that it is good. I have never found other than this where Green Thumb is concerned.

As for removing Social Security from the unified budget, I must confess that I lack knowledge in this area. But the things that immediately come to mind are these: Would an organization such as Social Security by being a separate budget entity gain some stability which it previously sacrificed in the name of political expediency? Or would it be realistically more feasible to remain as part of the greater budget to ensure that the monetary source is near and that ways could be found to possibly bail them out in an emergency.

I would suspect that there are many equally persuasive points to be made on both sides.

I would like in closing to make this remark. On behalf of the seniors who for various reasons are still part of our productive workforce, please remember that an employed older person pays income tax, pays Social Security, does not lose their identity, self-worth, or their friendships. Work is often a social event for these people and keeping going is psychologically a cheap pill for better health.

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The older citizens are also politically active. Approximately one-third of the voters in the 1980 election were reported as over 55. They probably have more time for community efforts and other activities but I also know that they are aware that their voice will be heard in a representative government. Thank you.

Mr. TAUKE. Thank you very much for coming, Mr. Messer. Jim, do you have questions?

Mr. SAXTON. I think perhaps I might just ask one quick question of Mr. Steel. When you were talking about the efficiency of the way the office is run and you expressed some concern about the modernization of the offices in terms of displacing certain workers, how do you see the question that I asked previously relative to computers affecting the efficiency of the offices and the potential displacement of workers?

Mr. STEEL. I would have to say, Jim, that computers are essential to the operation of the agency and it would not be possible to pay benefits to 36 million people each month without them. There is just no way we can do it. What we can expect on a computer is really the key, and what we are saying in our presentation is that the proposals by the Administration are something that are unproved and even after 6 months in the pilot offices, they are really not showing anything at all. This is not foreign really to introducing of a new program, but we just feel that they should not start with the dismantling of so many offices and doing away with 20 percent of the personnel until they have proved that they have something they can do.

And it just seems like the program that they are trying to put in place may eventually be helpful to the Bureau in processing their work, but even from the other testimony that you heard, what it can do is limited, and has been repeated many times this morning, the program is so bad and so complex, it is just impossible to funnel it into one little segment here that a computer can handle. And I might say, too, as part of the background that people might not know of it, the Social Security Administration was one of the first users of computer systems. In fact, computer systems necessary to do the bookkeeping of the agency in the early years was one that was developed especially for our needs, and the Bureau was very farsighted in this. They did not buy these computers. They merely leased them for a period of time. The computers were updated as years went by and that is one of the reasons why the bookkeeping system that we have is as good as it is.

But this is the kind of thing we need before we can rely on it.

Mr. SAXTON. Thank you.

Mr. TAUKE. Is that it? Don, I know that you have had some experience in representing people who are receiving Social Security benefits. Do you have any observations about the hearings and appeals process that is part of the Social Security system. Does it work well? Do you think it could be streamlined in some way?

Mr. MOONEN. Well, from my personal experiences, most of the problems have been solved at the local level. I would say the only one that I had experience with on the field level are disability claims, and I think—I certainly do not have any criticism of the way it goes except that I think that maybe for proper financial considerations I think a lot of people who definitely have disabilities

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that keep them from working cannot meet the requirements to get Social Security disability benefits because of the definitions of being disabled for a full 12 months or at least the livelihood can be at least 12 consecutive months and that cannot have any gainful activity which can be—can get into part-time work and things like that. And I have had neighbors and clients both who have had severe health problems including severe heart attacks, surgery where a very active person who really, you know, he is more than willing and is interested in having a full active life including full employment just cannot do it. They were forced out of employment but yet—and I had a—I know it was a 2-year period went by and he could not get disability benefits. So, I think that may not be any part of it—of the appeals system. It is probably just more or less into the standard by which your eligibility is determined and perhaps hoping enough is not feasible more from a budgetary standpoint but everything else I know about it and have had experiences that it is efficient and I do not know of any criticism of how that is handled, at least in this area.

Mr. TAUKE. I am going to put you on the spot a little bit. We had some witnesses I think before you arrived who talked about attorneys and had an experience, a situation where an attorney charged over $200 an hour for services rendered in a disability case. Do you think—does the Bar Association have any kind of guideline for fees in disability cases? Is there any way in which we should speak to that issue?

Mr. MOONEN. First of all, we do not have any guidelines because we are prohibited under——

Mr. TAUKE. That is right.

Mr. MOONEN [continuing]. Court decisions without even talking to each other about fees and actually I think for our own business standpoint we try to do more behind closed doors. But we really basically deal on and certain real standard legal services we know what other ones charge but for base fee we do not. Fees, well, I do know from our area and I would say this would include pretty much all of eastern Iowa and western Illinois, south Wisconsin, about the most any attorney charges for any kind of services is somewhere about $100 or $125 an hour, and I say this is the median or more less maybe more than that, it could be the common rate would be somewhere between $50 and $80 an hour, so I would say when you tell me that $200 an hour, I certainly that is excessive. We also know especially from—New York and Washington, DC, representing I think that were made and some of these other ones that made—they act like they are doing the public a big favor by only charging something like $300 or $400 an hour. But, you know, it appears to be a relative consideration. If it was in this locality, I would say that is very excessive for the area.

The other comments I should make on this though is from my knowledge of it, there are not many private attorneys who get involved in the disability cases. And we who do generally it is because not as a good route, specializing in that or looking for that kind of work is that when you have any kind of general practice, you are going to get some of everything just because you are serving families and long-time clients. Lawyers may not do divorces but if they have got a good family client and somebody in the family

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gets a divorce or this or that, you are going to represent them if you feel confident at all in that field. What you do have around here is that the Legal Services Corp., at least that is their name in Iowa, is commonly known as Legal Aid and there is controversy over that about cutting their funding, too.

They try to serve the public on the disability benefits and other Social Security matters. They sponsor for the most part either free or low cost seminars to try to educate the private attorney sector to be able to represent people in these situations, and I think that alone shows that most of us do not have the experience and really knowledge to do it right. If the Legal Aid is out here trying to talk us into it and trying to educate us in doing it

I know many of us do a lot of what is called pro bono work. We do work that we know we are not going to get paid for or we think there is a greater likelihood that we will not and I know I personally do some of this through legal aid as a voluntary program, and I have gotten a disability and they asked us each year to fill out a questionnaire of which kind of legal services we are willing to provide for no compensation or low compensation and, you know, that is one that I do not put down just because of that. I have not been able to get into that.

And that is a problem. And I think that goes back to my other remark that any of this—whenever you get a situation that you force the public in hiring lawyers rather than having the Social Security personnel be able to help them on what they can, you are forcing people into getting services they really cannot afford, and you are always going to have some situations where certain professionals, that is, lawyers or whatever are going to take advantage of it and give a bad example.

That is more of an answer that you wanted, but I would say that I would think that most people should be able to get those kind of services for something in the range of $50 to $80 an hour.

Mr. TAUKE. We will not call on you as a professional witness.

Mr. MOONEN. No.

Mr. TAUKE. Thank you, Don.

Ms. HUMPHREY. From the Social Security Administration there is something that you should know. There is a requirement for fee approval with the Social Security Administration, and if it is submitted and is in excess of what we would approve, which is 25 percent of the retroactive pay on disability benefits, then it would not be approved. I thought I would point out that information.

Mr. TAUKE. I thank you for that point. I think what we have run into is situations where the lawyers automatically file for the full 25 percent and then unless the disability recipient challenges it, it generally seems to go through and that is the kind of problem we have in this case. But I thank you. You are Tina Humphrey, right?

Ms. HUMPHREY. Kena.

Mr. TAUKE. Kena, I am sorry. Kena, I thank you. Kena is from the Cedar Rapids office of Social Security and has been here this morning to monitor and answer any questions we might have and we thank you for being here.

I just have one question for you from your testimony, John, it struck me you turned about the turnover increasing among the

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personnel in the Social Security office. Do you have any statistics on that and do you have any reasons for that?

Mr. STEEL. Well, I see no statistics on it, Tom. I really could not give you any figures but even before I retired I noticed that there was a bigger turnover in the clerical area. It seems that the Social Security Administration does not pay a huge salary as most Federal jobs do not, and people in the private sector are able to get about as much more and when they come to work for Social Security and first see the problems that are involved there and how much work is necessary to be done, how much will be expected of them, they leave and go somewhere else. There is quite a lot of pressure and unless the worker really is dedicated to this work he does not stay.

Mr. TAUKE. Al, did you have a comment on that?

Mr. ACHTNER. Yes, I would like to point out that the Iowa City branch office in the last 4 years we have lost four employees transferring to Veterans' Administration Hospital as a result of—looking for better working conditions that they were not finding at our office.

In the last few months, a fully trained claims representative has left the Cedar Rapids office over an issue of working conditions.

Mr. TAUKE. Jim, do you have anything else?

Mr. SAXTON. I have no questions.

Mr. TAUKE. I want to thank the witnesses on this panel and all of our other witnesses for joining us this morning and I want to thank you, Jim, Congressman Saxton, from New Jersey, for joining us this morning. We have run a little bit overtime but I hope it will not upset the luncheon schedule here at the Whitwer Center. I understand lunch will be served in about 15 minutes. I will be heading for the airport to pick up Commissioner McSteen and for those of you who wish to stay and listen to her remarks this afternoon and ask her and me about the notch and anything you would like to ask about, we will be back about I hope for sure by 12:30 if the plane is on time. John.

Mr. SAXTON. I would like to express my appreciation to all of you for helping me feel so much at home in this fine town and to say to you that people just do not end up on the Select Committee on Aging and on the Subcommittee on Retirement Income and Employment. We ask to be there. We ask to be there because we are very, very concerned about this issue and today we heard about some of the front line issues as they have been called and we think that is very, very important. But as was brought up from the gentleman in the audience earlier, there are other issues that are involved with Social-Security that are of equal importance. The notch problem, which incidently Mr. Tauke has been very, very much out front with in trying to find a way to solve, is one of those problems as well as other long-term retirement benefits for people who have just helped us observe the 50th anniversary of Social Security.

So, not only do we look at short term, day-to-day problems as we have been discussing today, but the notch and other long-term problems are things that we are very much involved in trying to solve as well.

Thank you, Representative Tauke for having me here today. I have benefited a great deal from each of the panels. Thank you.

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Mr. TAUKE. Thank you very much and again thanks to all our witnesses. And if any of you have comments that you would like to have included in the hearing record, please contact my office sometime during the next 30 days. The record on the hearing will close in 30 days, and we hope to see many of you this afternoon.

[Whereupon, at 11:15 a.m., the hearing was adjourned.]

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